



Land Valuation Survey in Indonesia

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FIG Working Week 2008 Stockholm
Wednesday, 18 June 2008

Introduction

- This paper is a part of IPSLA project, the **I**nstitutional **P**artnership (between the Government of Sweden and the Government of Indonesia) for **S**trengthening the **L**and **A**dministration in Indonesia
- Four components of IPSLA:
 1. Exchange of Knowledge and Experiences
 - 2. Land Valuation**
 3. Legalize Computerized Land Records
 4. Informal Settlement/Urban Land Reforms



Current Status

- There has been a misleading in treating the tax value as the market value
- There has been a vacuity policy in valuation the land as a resource or economic value



Current Status

- A non-transparent market
- Registers are incomplete
- Lack of spatial data
- Stated/reported prices under the market value
- Limited collaboration between authorities
- Tax value is not market value but fortuitously used as a market reference, even for land expropriation and 'reported' transaction
- But BPN has decided to change this situation



With New Mandates, BPN/NLA has decided to change those situations :

- To comprehend the mandates into operational programs:
 - Regulation development
 - Pilot project & training for staffs
 - Data collection and valuation
 - Licensing
 - International Seminar & Benchmarking
- To work with Swedish IPSLA experts to develop the national and international standards of the land valuation

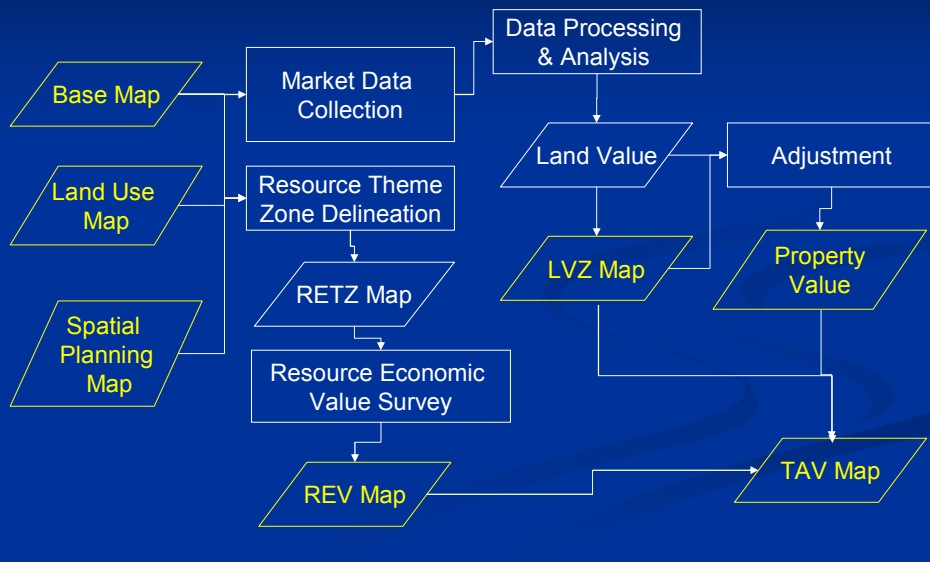


BPN (National Land Agency) Tasks in Valuation:

- To collect market data and to produce the distribution of market data map
- To do valuation of land and produce Land Value Zone (LVZ) Map
- To do individual valuation of land and property
- To delineate economic potency zones and to produce Resource Economic Theme Zone (RETZ) Map
- To do valuation of economic zone value and to produce Resource Economic Value (REV) Map
- To develop GIS application for the valuation and to produce Total Assets Value (TAV) Map



Total Assets Valuation (TAV) Diagram

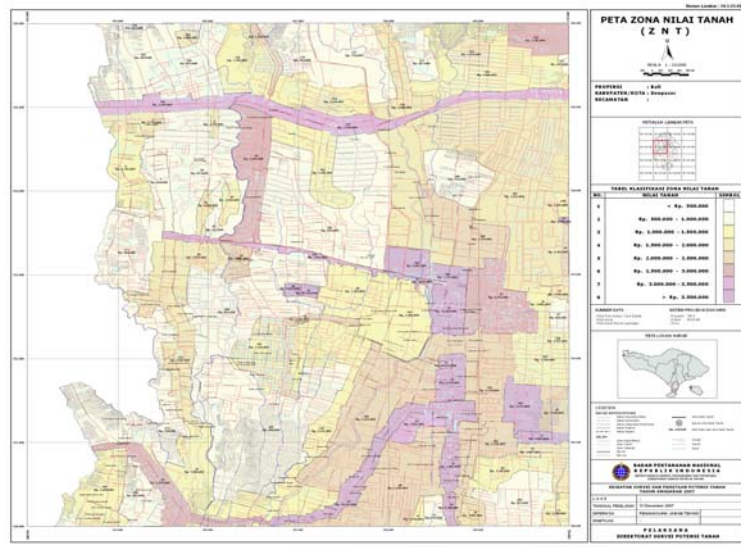


BPN (National Land Agency) Tasks in Valuation:

- To give licenses to the Land Valuation Body (the professional and independent private company or body) to do the valuation for compensation in the land expropriation or acquisition for the public interests and purposes
- To give licenses to both internal and external Valuers/Appraisals to do the valuation for the BPN/NLA needs



Another Example:



Another new mandate that involving land and economic zone valuation

- The Agrarian Reforms program
- To open the asset reforms and access reforms to the 5 millions poor and landless farmers upon 9.25 million hectares land



Concluding Remarks

- Need of a short term strategy for mass valuation of land, acceptable simplifications, contributes to more transparent market, and fair compensation
- Need a long term strategy for mass valuation of land, proper register, digital maps, transaction database, and modern system for mass and individual valuation
- Role of land and resource economic valuation to the Agrarian Reforms Program



Concluding Remarks

- Need to develop systems & mechanisms of transparent market
- Need to complete Registers
- Need to develop spatial data
- Need to increase collaboration between authorities
- Need to STOP the use of tax value other than taxation purposes



THANK YOU VERY MUCH
FOR YOUR ATTENTION ...

Tack så Mycket

