

REVIEW OF REAL ESTATE IN BALTIC STATES



CONTENTS

Introduction

1. General information

2. Institutions for registration of real estates

2.1. Estonia

2.2. Latvia

2.3. Lithuania

3. Statistics of registration of real estates with comments added from each country

Conclusions and forecasts

Appendix. Terminology definitions

INTRODUCTION

Year 2004 was significant for cooperation of three Baltic countries, as it was the year of tenth anniversary since the Baltic Council of Ministers (BCM) was established. Latvia was presiding at the Baltic Council of Ministers this year and thus, set priorities for its activities.

In the beginning of 2004 it was decided at the Committee on Geodesy, Cartography and Land Reform of BCM to start the preparation of review on real property in Baltic States in order to meet the demands of real estate market for up-to-date information. During the meeting on January 22-23 it was stressed that regular review on real estates is essential information for land management in every country, it was emphasized also that joint Baltic review would be most beneficial for users in the European Union (EU). Participants of the meeting decided that a common working group has to be organized to prepare the first Baltic real estate review.

Draft tables for the review were prepared till July by specialists of Cadastre of Latvia, and after the meeting on July 1-2, the work of preparation of review was started. After continuous consultations and active cooperation between specialists of three countries, Latvia acting as a coordinator, in March 2005 the preparation of the review is completed.

In the “Review of Real Estates in Baltic States” (hereinafter – the Review) data from various real estate registers have been aggregated in several categories:

- 1) Number of and Dynamics of Registered Cadastral Objects into Cadastre or Other Registers
- 2) Dynamics of Registration of Real Estates into Land Book
- 3) Number, Area and Dynamics of Number of Properties Including Land
- 4) Structure of Properties Including Land According to Owner’s Status
- 5) Structure of Land Registered in Cadastre According to Types of Land Use and According to Groups of Purposes of Use of Real Estate.

Data included in the Review gives a comprehensive overview on pace of registration of real estates and on data in various registers of real estate. Specialists from each country have added comments to their data; in addition there is a table with terminology used in this Review with definitions from each country.

1. GENERAL INFORMATION

Table 1. General data on Baltic states

	Estonia	Latvia	Lithuania
Area (km ²)	45 227	64 589	65 301
Population (millions)	1.35	2.31	3.43
In cities	69%	68%	67%
In rural areas	31%	32%	33%
Capital	Tallinn	Riga	Vilnius
Population (thousands)	400.0	735.2	553.1
Currencies (2005) 1 EUR	15.64664 EEK	0.702804 LVL	3.4528 LTL

*Source: Statistical Office of Estonia, Central Statistical Bureau of Latvia, Department of Statistics to the Government of the Lithuania, Central banks.

The area of the **Estonian** territory is 45 227 square kilometres. As of December 31, 2004 altogether 78,0% of this area has been registered in the Land Cadastre. Land reform statistics start from 1993 when the registration of cadastral units in the Land Cadastre began, although first cadastral units were registered in December 1992. Land reform has been slower in the northern and western parts of Estonia and faster in the southern part of Estonia.

The area of the territory of **Latvia** comprise 64 589 square kilometres. The registration of land properties and land assigned for use in National Real Estate Cadastre (hereinafter - Cadastre of Latvia) is completed and it covers 100% of the total area of Latvia, what makes Latvia a leader in this case.

History of the modern Cadastre in Latvia started in 1992, at the same time with land reform that was necessary as part of political and economic transition processes initiated in 1991 after regaining the independence of Latvia. Formal restoration of natural persons' title to real property took place in 1993. The content of the Cadastre has increased gradually. In the first four years only land parcels and land properties (tenure) were registered. Registration of buildings began from 1996, but in 2000 the mass registration of apartments was started. If the first 8 years of the Cadastre were devoted for data collection and primary registration, from 2001 the main priority is improvement of data quality and actuality. At the moment land reform in Latvia is drawing to a close, and the Cabinet of Ministers has considered draft law that will prescribe the completion of privatisation process.

Lithuania's territorial size is 65 302 km². Like in other Baltic States, the restoration of independence gave a start to privatisation and restitution of real property as well as to the development of a modern accounting system of property objects. Computerised land registration was launched in 1993 in a year-ago established State Land Cadastre Enterprise, whereas the registration of buildings was the responsibility of Inventory Bureaus. After the establishment of the State Land Cadastre and Register (currently it is named as the State Enterprise Centre of Registers) an integrated land and building registration system was developed. By 1 January 2005 the database of the Centre of Registers recorded 1 458 159 land parcels, the area of which amounted to 3 553 963 hectares, i.e. 54.4 % of the total area of Lithuania.

The main factors affecting the development of the Real Property Register are as follows: restitution of real property, privatisation of the state property, new construction activities and reconstruction of the existing buildings.

2. INSTITUTIONS FOR REGISTRATION OF REAL ESTATES

2.1. Estonia

Table 2. Registers of real estate in Estonia

Register	Institution responsible
Land Cadastre	Estonian Land Board (http://www.maaamet.ee/)
State Register of Construction Works (Building Register)	Ministry of Economic Affairs and Communications (http://www.mkm.ee/)
Land register (Immovable property register)	Land registry departments of local law courts (http://www.eer.ee/index_eng.phtml)

Land Cadastre is a general national register. In its operations the Land Cadastre follows the objectives and tasks as stipulated in the Land Cadastre Act. The objective of the maintenance of the Cadastre is to register information in the Cadastre reflecting the value of land, the natural status of land and the use of land, and to ensure the quality of such information and that it is preserved and made available to the public. According to the Databases Act, the chief processor of the Cadastre is the Ministry of the Environment and the authorised processor of the Cadastre, i.e. cadastral registrar, is the Land Board. The function of the cadastral registrar is to register cadastral units, register restrictions and rights of use of land, and collect and process data necessary for the valuation of land.

State Register of Construction Works (Building Register) - the main function of the State Register of Construction Works (hereinafter Register of Construction Works) is to maintain records of construction works under construction or in use. The subject matter of the Register of Construction Works is construction works under construction or in use. The Register of Construction Works and the statutes for the maintenance of the register shall be established by the Government of the Republic. The Register of Construction Works is maintained as a single-level electronic database. One of the main laws that regulate its work is Building Act. This register was established in 01.01.2003 from former Building Register.

Land Register ensures legal certainty and reduces the risks related to the immovable property transactions, because:

- 1) Real rights relating to an immovable property are made visible through the Land Register;
- 2) Real rights in immovable property are created by an entry in the Land Register and extinguish by deletion of the entry from the Land Register;
- 3) Entries in the Land Register are made in the order of arrival of applications.

Land registry departments of local law courts maintain the Land Register. The registration applications are reviewed in written judicial proceeding. Maintaining the Land Register by the judiciary ensures legal competency and independent decisions.

The digital information of register parts and a land registry journal in the land registry of courts on a registered immovable is saved and stored in the Centre of Registers. The Centre of Registers guarantees the electronic saving, storing and reproducing of land register information.

Land Register is regulated by Land Register Act.

Additional legislation concerning registers, besides above mentioned: Archives Act, Public Information Act, and Databases Act etc.

2.2. Latvia

Table 3. Registers of real estate in Latvia

Register	Institution responsible
National Real Estate Cadastre	State Land Service (SLS) and 8 Regional Departments of SLS (http://www.vzd.gov.lv)
Land Book (Title Register)	Land Book Department of Courts' Administration and 28 Land Book Offices of the Regional Courts (http://www.zemesgramata.lv)

Registration of real estates in Latvia is performed by State land Service (SLS), which is the institution that implements the land policy under the supervision of minister of justice in compliance with the laws of the Republic of Latvia "On Land Use and Survey" (21.06.1991.),

“On State Land Service” (15.12.1992.) and according to Regulations No.158 of April 30, 1996 issued by the Cabinet of the Republic of Latvia “Regulations of the Real Estate State Cadastre”

All land of the territory of Latvia, is subject to registration regardless of its ownership. Data on land registration annually are aggregated in Land Balance of Republic of Latvia; most of data regarding Latvia are from this publication.

National Real Estate Cadastre (hereinafter – Cadastre of Latvia) is a state information system. The main task of Cadastre of Latvia is to furnish society with updated official information on all real estates in Republic of Latvia necessary for sustainable land administration, by performing in a unified system registration of real estates, maintaining and disseminating data at requested time and place.

At present Cadastre of Latvia registers data on real estates (land properties, building properties and flat properties) and leaseholds, and keeps textual and graphical data on their components – land parcels, buildings and groups of premises. Procedures for valuation of land properties, building properties and flat properties are included in the Cadastre; also archive files are registered in the Cadastre. Cadastre ensures printing of necessary references, certificates, extracts, lists of real properties, lists of real properties, onto which immovable property tax is imposed, a. o. documents.

Land Book performs securing of titles. Only the person that has been registered in Land Book as the owner of real estate is to be considered as the owner (article 994 of Civil law).

According to Land Book Act, all 28 data bases of Land Books are amalgamated in State Common Computerised Land Book (SCCLB) and thus SCCLB is a central database where it is possible to acquire information on all real estates that have been registered in Land Book. The main function of SCCLB is to maintain and store Land Book data submitted by Land Book Offices, ensuring the security and invariability of these data.

The operation of Land Book is regulated by Law on Land Book (1937) that was restored in 1993 with little amendments.

2.3. Lithuania

Table 4. Registers of real estate in Lithuania

Register	Institution responsible
National Real Estate Register	State Enterprise Centre of Registers (www.kada.lt)

Registration of all real property (land, structures and premises) is performed by one institution, i.e. by the **State Enterprise Centre of Registers** (SECR). The SECR, established in 1997, is a public legal entity, which administers the Real Property Cadastre and Register, the Address Register, the Register of Legal Entities, creates, implements, develops and administers information systems related to the aforementioned and other registers, administers register archives, performs real property market analysis and valuation.

The Centre of Registers maintains the integrated Real Property Cadastre and Register Data bank and secures the state guarantees to the owners regarding the rights to real property. The integrated Real Property Cadastre and Register data are comprehensive and have legal status. According to the law all data in the Real Property Register shall be recognised as correct and complete, unless invalidated in the manner prescribed by law.

Most of the data included in the Review are collected from the Real Property Cadastre and Register Data bank, i.e. these data are accurate, reliable and have legal status. However, they do not cover all the properties in Lithuania since not all the properties have been registered

yet. Due to certain features of property accounting the data on Lithuania given below in the tables differ from that of Estonia, and, particularly, of Latvia.

In addition to the Real Property Cadastre and Register Data bank, the Centre of Registers together with the Ministry of Agriculture and the National Land Survey under the Ministry of Agriculture issue an annual publication “Land Fund of the Republic of Lithuania” where the data are also supplied by the main holders of state land, i.e. County Governors’ Administrations, Forestry Offices, national parks, state reserves. This publication contains data on the whole land fund in Lithuania including state and private land, which is registered or not registered in the Register. Some data on land fund were used in this Review.

3. STATISTICS OF REGISTRATION OF REAL ESTATES WITH COMMENTS ADDED FROM EACH COUNTRY

Table 5. Number of Registered Cadastral Objects into Cadastre or Other Registers 01.01.2005.

Registered cadastral objects	Estonia**	Latvia	Lithuania
	Number of objects	Number of objects	Number of objects
Land parcels in the textual data	480 435	916 415	1 458 159
Land parcels in the digital cadastral map	480 435	914 456	1 211 580
Buildings in the textual data	800 000	1 335 675	2 077 948
Buildings in the digital cadastral map*	400 000	1 257 021	215 378***
Premises in the textual data	626 100	1 507 982	930 815

* Engineering structures are not included in this number.

**In Estonia only land parcels are registered in Cadastre, data on buildings and premises are not registered in Cadastre. Data on buildings are from Estonian State Register of Construction Works (Building Register) and approximate numbers are presented in the table, because the digital database is not complete and that kind of query cannot be done. Data on premises is the number of residential premises on 01.01.2004, according to data from Statistical Office of Estonia. Therefore Estonian numbers of premises are not comparable with data from Latvia and Lithuania.

*** These data contain only those buildings that are depicted in the digital cadastral map with geographical co-ordinates.

Analysing Estonian data on registration of real estates, it has to be noted that there are approximately 800 000 buildings in Estonia and half of them are connected with Cadastre as a result of a pilot project between Land Cadastre and Estonian State Register of Construction Works (Building Register), where automatic associating was performed between the alphanumeric data of the Buildings Register and the spatial data of buildings on the Basic Map. According to Cadastre as of December 31, 2004 there are 214 193 land parcels with buildings in **Estonia**. Data on premises is given as of 01.01.2004, because at the moment this data is not available from the Statistical Office of Estonia. Besides, the number of premises includes only residential premises; data on non-residential premises is not available.

Data in table 5 indicates that premises¹ comprise the greatest number of all cadastral objects registered in **Latvia**. There were 1 507 982 premises registered in Latvia on January 1,

¹ In Cadastre of Latvia the term “groups of premises” is used; in order to compare data it was substituted with “premises” in this Review.

2005. As in 2003, also at the end of 2004 99,8% of land parcels registered in the textual data were depicted in the cadastral map. The percentage of buildings depicted in the cadastral map has grown from 82.5% of buildings that have to be depicted in 2003 to 95.2% in 2004.

The numbers of **Lithuania** in table “Buildings in the digital cadastral map” show how many buildings, depicted on the cadastral map, have accurate central co-ordinates of the building in Lithuania. Therefore this number may not be compared to that of Latvia and Estonia.

Table 6. Dynamics of Registration of Cadastral Objects into Cadastre or Other Registers

Year, date	Estonia*			Latvia			Lithuania		
	Land parcels	Buildings	Premises	Land parcels	Buildings	Premises	Land parcels	Buildings	Premises
1998.01.01.	104 086		619 500	592 250	79 730		565 250	752 450	690 155
1999.01.01.	187 708		620 400	742 574	556 841		667 419	1 062 996	762 028
2000.01.01.	260 607		621 200	788 165	923 194		752 459	1 231 519	792 007
2001.01.01.	319 229		621 900	823 029	1 111 311	932 159	854 279	1 914 740	857 141
2002.01.01.	370 855		622 500	849 381	1 296 914	1 094 493	950 428	2 195 364	902 485
2003.01.01.	415 249		623 600	867 240	1 313 908	1 258 825	1 125 312	2 286 561	909 510
2004.01.01.	448 897		626 100	892 315	1 325 284	1 378 833	1 284 353	2 006 730	916 826
2005.01.01.	480 435	800 000		916 415	1 335 675	1 507 982	1 458 159	2 077 948	930 815

* See the second comment under the previous table.

As was said in the beginning 78% of **Estonian** area has been registered in cadastre and the number of parcels with and without buildings has grown year after year. Sources of data are the same as in previous table, data on parcels from the cadastre and data on premises from the Statistical Office of Estonia, but here must be noted again that at the moment data on buildings from Estonian Building Register are not available, that is why in the column of buildings the cells from 1998 to 2004 are empty and in the column of premises only residential premises are presented.

Table 6 shows that in **Latvia** the most rapid growth of registered number of land parcels and buildings was in 1998, when number of land parcels grew by 150 324, and number of buildings – by 477 111. It can be explained by adoption of Law On Immovable Property Tax, which prescribed that land and buildings will be objects to be taxed from 1998.

From 1999 18 – 45 thousands land parcels were registered annually. The least number of newly registered land parcels was in 2002 – 17 859. Subsequently a moderate growth of newly registered land parcels has been observed, in the result of concluded transactions that have created new land parcels. The number of buildings registered anew was high till 2001, but starting from 2002 it has declined ten times (from 185 603 newly registered buildings in 2001 to 16 994 in 2002). This drop was caused by the completion of the process of mass inspection of buildings.

Number of newly registered premises in Latvia was approximately 160 thousands in 2001 – 2002, and 120 - 130 thousands from 2003 - 2004. Thus, it can be concluded that there is a tendency to decrease for both number of newly registered buildings and premises.

Data on **Lithuania** given in table 6 depict smooth increase in the number of real property objects registered in the Real Property Register alongside with restitution of real property, privatisation of the state property, new construction activities and reconstruction of the existing buildings.

Table 7. Dynamics of Registration of Real Estates into Land Book

Year, date	Estonia			Latvia**			Lithuania		
	Properties including land	Flat properties	Building properties*	Properties including land	Flat properties	Building properties	Properties including land	Flat properties	Building properties
1993.01.01.	0	0	-	393	0	6			
1994.01.01.	0	0	-	12 518	1	158			
1995.01.01.	4 141	0	-	38 863	7	722			
1996.01.01.	12 666	24	-	81 437	177	2 730			
1997.01.01.	26 305	127	-	133 493	1 405	5 082			
1998.01.01.	51 948	955	-	192 450	12 800	7 954	565 250	690 155	752 450
1999.01.01.	101 677	6 251	-	251 066	70 327	11 932	667 419	762 028	1 062 996
2000.01.01.	158 084	33 198	-	298 683	157 617	16 538	752 459	792 007	1 231 519
2001.01.01.	205 754	75 742	-	332 504	240 271	21 013	854 279	857 141	1 914 740
2002.01.01.	242 947	138 653	-	358 584	300 130	24 573	950 428	902 485	2 195 364
2003.01.01.	277 487	223 805	-	385 696	344 609	27 803	1 125 312	909 510	2 286 561
2004.01.01.	307 312	314 166	-	417 527	386 721	31 260	1 284 353	916 826	2 006 730
2005.01.01.	336 175	356 751	-				1 458 159	930 815	2 077 948

* In Estonia there are no building properties, since the legislation of Estonia does not allow registering buildings separately from land.

** Data from Land Book on 01.01.2005. were not available yet during the preparation of this Review.

Data in table 7 are from The Centre of Registers, where Title Book data is saved and stored. In **Estonia** legislation does not allow to register buildings separately (“column building properties”) – buildings can be registered only together with land. There is no such type of real estate in Estonia. Number of flat properties is growing fast year after year, one of the reasons for such a fast growth is the registration of movable flats (flats, that are not immovable property, entry in the Land Register has not been made) into Title Book, but also new apartment buildings are built. The number of properties including land has also grown constantly, every year approximately 30 000 new immovables are registered.

As it is evident from data in table 7, in **Latvia** the largest number of real estates registered in Land Book is comprised by properties including land². Analysing the pace of growth of number of real estates secured in Land Book, it can be concluded that the number of newly registered properties including land rapidly grew till 1998, but since then it has gradually decreased. In 2001 the number of newly registered properties including land had fallen to the level of 1994, yet, starting from 2002 pace of registration of this type of real estates has slightly increased. The growth of number of annually registered building properties and flat properties remained high a little bit longer – till year 2000.

The most rapid growth has been in number of registered flat properties. The formation of flat properties in the result of privatisation proceeds both in cities (in dwelling houses owned by state of municipality), and in rural areas, particularly in dwelling houses built in the centres of former agricultural enterprises (kolkhozes, kolkhozes of fishermen and sovkhoses). The purpose of privatisation is to transfer the existing housing fund to private sector, to develop the real estate market and to promote putting in order of dwelling houses, defending the interests of inhabitants.

Regarding data from **Lithuania**, it has to be noted that, since the Centre of Registers of Lithuania was established in 1997, data given in the table are only from 1 January 1998. As

² In Cadastre of Latvia the term “land properties” is used; in order to compare data it was substituted with “properties including land” in this Review.

real property and rights to it are registered together, the data given in this table coincide with the data in table 6.

Table 8. Number, Area and Dynamics of Number of Properties Including Land

Year, date	Estonia*		Latvia**		Lithuania	
	Properties including land (thousands ha)	Number of properties including land	Properties including land (thousands ha)	Number of properties including land	Properties including land (thousands ha)	Number of properties including land
1996.01.01.	240.6	12 666	508.7	37 660		
1997.01.01.	371.8	26 305	1 100.7	95 389		
1998.01.01.	581.9	51 948	1 679.2	156 880	1 416.7	565 250
1999.01.01.	857.4	101 677	2 170.8	218 099	1 651.4	667 419
2000.01.01.	1 150.3	158 084	2 542.5	277 978	1 997.5	752 459
2001.01.01.	1 428.0	205 754	2 872.2	322 551	2 298.3	854 279
2002.01.01.	1 687.5	242 947	3 125.6	359 878	2 536.9	950 428
2003.01.01.	1 942.4	277 487	3 295.1	384 465	2 957.3	1 125 312
2004.01.01.	2 115.2	307 312	3 457.4	409 480	3 300.4	1 284 353
2005.01.01.	2 276.3	336 175	3 647.4	441 008	3 554	1 458 159

* Data from Title book.

**Data from Cadastre of Latvia, since there are no data available on area of properties including land from Land Book.

As it was said in text under previous table, the number of properties including land in **Estonia** has grown constantly, every year approximately 30 000 new immovables are registered. Thus, as it can be expected the area of land has grown as well. This growth was faster in the early years due to the land reform.

Data in table 8 indicates that in **Latvia** the number of properties including land registered in Cadastre has increased from 37 660 in 1996 to 441 008 in the beginning of 2005. The greatest number of newly registered properties including land was in 1997, when 61 491 properties were registered anew. Afterwards number of annually registered properties including land has decreased every year, and in 2003 there were only 25 015 new properties registered. Yet there has been a little growth in pace of registration of properties including land in 2004 – number of newly registered properties reached 31 528. Evidently, the total area of registered properties including land has gradually diminished – from 508.7 thousands hectares in 1996 to 109 thousands hectares in 2004.

In **Lithuanian** part the column “Number of properties including land” contains the same data as given in tables 6 and 7 since, as we have already mentioned before, real property and rights to it are registered together in Lithuania.

Data in table 9 show the area and percentage of territory of each country that is registered in cadastre and further, the area and percentage of registered land that is occupied by land properties (as opposed to land that does not have a status of property but which is assigned for use etc.)

Here it must be noted that in **Estonia** according to Land Register Act an immovable belonging to the state or a local government shall be entered in a land register if such immovable is encumbered with a real right or if the owner requests that the entry be made.

Data on area of properties including land is from Title Book. In general there is 994 718.5 ha of land in Estonia, that is still not registered in Cadastre.

Table 9. Land and Properties including Land Registered in Cadastre 01.01.2005.

State	All land registered in cadastre		Properties including land	
	All land registered in cadastre, ha	% of total area of state	Area, ha	% of area registered in cadastre
Estonia*	3 528 045	78.0	2 276 316	64.5
Latvia**	6 458 865	100	3 647 376	56.5
Lithuania	3 553 963	54.4	3 553 963	100

*Data from title Book.

** Data from Cadastre.

Table 9 shows that in **Latvia** the majority of total territory of state is comprised by properties including land – it constituted 56.5% on January 1, 2005. Rest part of the land in Latvia is divided in land assigned for use and free state (unclaimed) land (the latter encompasses also land under the jurisdiction of state and municipalities)³. In comparison to 2003, the percentage of properties has grown for 3%. This growth was caused by continued privatisation process of land assigned for use; lands assigned for use that have been formed earlier have become properties.

Table 10. Structure of Properties including Land According to Owner's Status 01.01.2005.

State	Properties owned by natural persons		Properties owned by juridical persons		State-owned properties		Municipality-owned properties		Properties including land (in total)	
	Area, ha	% of area registered in cadastre	Area, ha	% of area registered in cadastre	Area, ha	% of area registered in cadastre	Area, ha	% of area registered in cadastre	Area, ha	% of area registered in cadastre
Estonia*	2 157 911.0	61.1			109 379.9	3.1	9 025.4	0.3	2 276 316	64.5
Latvia**	3 161 076.7	49	286 602.9	4.4	82 993.0	1.3	113 359.5	1.8	3 647 376	56.5
Lithuania	3 221 050	90.6	22 712	0.7	309 972	8.7	229	0	3 553 963	100

* In Estonia data on properties owned by natural persons and juridical persons are not available separately. These are data from Land book.

** Data from Cadastre.

³ Land assigned for use - lands, which by decisions of land commissions, municipalities and state administration institutions have been assigned to permanent use to natural and juridical persons; and land, where land ownership has been restituted only by preliminary decisions of land commissions and ownership has not been restituted yet finally by decision.

Free state (unclaimed) land or land under the jurisdiction of state and municipalities - free state land - land of rural areas; land under the jurisdiction of state – land of towns and cities, to which ownership right is not restituted during the land reform, land ownership to which is not assigned against payment or which is not assigned for use to natural and juridical persons, in compliance with Law of LR “On Land Property Rights of the State and Municipalities and Consolidation of the Rights in Land Book” (29.03.1995.).

Data in table 10 show the structure of properties including land according to owner's status; percentage here is calculated against total area occupied by properties including land in each country (that is added in the last column).

In **Estonia**, the owner's status is separately presented on paper and the information stored on paper at courts has legal effect at present, but the digital database of the land register is not complete and digital data on properties owned by natural persons and juridical persons is not available separately. As of all the properties in Estonia, including land 95% are owned by natural and juridical persons, but as it was said in text under previous table, an immovable belonging to the state or a local government shall be entered in a land register if such immovable is encumbered with a real right or if the owner requests that the entry be made.

As indicated by table 10, nearly half of area registered in Cadastre of **Latvia** is comprised by properties owned by natural persons and they amount to 3 million hectares. Properties owned by juridical persons constitute comparatively little percentage of total area of state – only 4.4%. State-owned properties and properties owned by municipalities altogether encompass approximately 3% of total area of Latvia.

Percentage of properties owned by natural and juridical persons has grown during 2004 – for 1.3% and 1.1% respectively. Accordingly the percentage of state-owned properties and properties owned by municipalities has slightly decreased.

The data given in table 10 show that the most of the registered property in **Lithuania** is owned by the natural persons and only a small part – by legal entities, state or municipalities. Regarding the percentage of the registered area, some misunderstandings may arise with regard to zero in the cell “municipality-owned properties, % of registered area”. Zero results are caused by rounding down the percentage points to the tenth since by 1 January 2005 the municipalities possessed only 229 hectares of registered land.

Table 11. Structure of Land Registered in Cadastre According to Types of Land Use 01.01.2005.

Type of Land Use	Estonia		Latvia		Lithuania	
	Area, ha	% of area registered in cadastre	Area, ha	% of area registered in cadastre	Area, ha	% of area registered in cadastre
Agricultural land	1 127 533.7	31.9	2 465 094.6	38.2	2 554 892	71.9
Forests	1 833 987.7	52.0	2 904 423.9	45	693 080	19.5
Under water	59 747.7	1.7	232 073.8	3.6	56 293	1.6
Yards	48 845.1	1.4	91 742.9	1.4	88 165	2.5
Other	457 930.5	13.0	765 529.8	11.8	161 533	4.5
Land registered in cadastre	3 528 045		6 458 865		3 553 963	

Majority of land registered in **Estonia** is covered with agricultural and forest land. 52% of registered land is forestland. It must be mentioned that agricultural land involves also grassland (similarly as in Latvia).

In **Latvia** the structure of types of land use is stable and has not changed significantly in 2004. In comparison to 2003, the area comprised by agricultural land, swamps and other uses has decreased slightly (by 0.1%, 0.1% un 0.2% of total area of state respectively). Accordingly the area occupied by forests has increased for 0.3% and area of roads – by 0.1%. Still the major percentage of area of state is comprised by forests (45%) and agricultural land (38.2%).

It has to be stressed that only the dominant types of land use are included in table 11. In addition to these there are such types of land use as bushes, swamps, roads and other uses, the area of which is incorporated under the term “other” in this table.

The most of the registered land in **Lithuania** is agricultural land – 71.9%, it also includes land of gardeners’ associations.

Table 12. Structure of Land Registered in Cadastre According to Groups of Purposes of Use of Real Estate 01.01.2005.

Groups of purposes of use of real estate	Estonia*		Latvia		Lithuania	
	Area, ha	% of area registered in cadastre	Area, ha	% of area registered in cadastre	Area, ha	% of area registered in cadastre
Agriculture	1087771	30.8	4 003 126	62.0	2 849 163	80.2
Forestry	1769816	50.2	2 054 993	31.8	555 763	15.6
Water management	2 913	0.1	127 314	2.0	8 009	0.2
Other	667545	18.9	273 432	4.2	141 028	4
Land registered in cadastre	3 528 045		6 458 865		3 553 963	

* In Estonia types of land use and groups of purposes of use of real estate is the same term.

There are 12 different purposes of land use in **Estonia** (residential land, commercial land, industrial land, mining industrial land, public land, water management land, land designated for transport, land designated for waste disposal site, national defence land, protected land, profit yielding land, land without purpose of use).

In Estonia, there is such a purpose of use as profit yielding land, that consists of agricultural land (cultivated area and grassland), forest land, land under yards and other land, we don’t have separate purposes of use for agricultural and forest land, so the data on these lands are in table 12 according to types of use of profit yielding land.

In **Latvia** land distribution according to groups of purposes of use of real estate is changing, and it is being made more precise continuously, since respective government institutions and municipalities are setting and changing the purpose (purposes) of use of real estate according to purposes of use of real estate that have been set in the existing territorial plans or actual legally started purposes of use of the real estate.

The majority of total area of state still is comprised by group “Agriculture” that constitute 62.0% of total area (table 12), that is by 0.3% or 22 851.7 ha less than in 2003. Accordingly the area occupied by group of purposes of use of real estate “forestry” has grown by 0.2%.

It has to be taken into account that only the dominant types of groups of purposes of use of real estate have been included in this table. In Latvia there are 14 groups of purposes of use of real estate: agriculture; forestry; water management; mining industry and exploitation of pits; fishing and fisheries, including fish farms; build-up areas with one family and two family dwellings; build-up areas with apartment houses; build-up areas with buildings of commercial use and business institutions; objects for public use; industrial objects; objects for transport infrastructure; public engineering utilities and objects; other objects; seaports and build-up areas with terminals of seaports. In table 12 all the groups except first three ones are included under the term “other”.

Table 12 depicts distribution of the registered land in **Lithuania** by the groups of land use purpose on 1 January 2005. There are 5 main purposes of land use: agricultural land, forestry land, water land, conservation land and other purposes of use. These purposes are further divided into the types and sub-types of use.

CONCLUSIONS AND FORECASTS

More than ten years have passed since the land reform began in three Baltic countries with newly regained independence and these reforms are drawing to a close. Using the experience of EU member countries real estate registration institutions have been re-established in each of these countries, keeping at first manual, subsequently – digital cadastre registers. All three countries have made significant efforts to modernise their cadastres since they are key to the privatisation process and to construct of a reliable system of property registration that guarantees the right to real estate in a market economy environment. In the face of this rapid development in the field of real estate registration, it is worth to review the pace and process of land reforms and real estate registration in Baltic countries. This was the main purpose of this Review.

Several differences that exist in systems of real estate registration in Baltic countries have to be taken in to account when comparing the data.

First of all, there is a marked difference regarding percentage of total area of state that is registered in Cadastre. The coverage is 100% in Latvia, but approximately $\frac{3}{4}$ (78%) in Estonia and only about half (54.4%) of total area of state in Lithuania. But it has to be stressed that differences in the coverage are mainly based on the different approach to registration of real estate that is used in each country, not on slower pace of registration.

One of the main differences that has to be mentioned here is that in Estonia according to Land Register Act an immovable belonging to the state or a local government shall be entered in a land register if such immovable is encumbered with a real right or if the owner requests that the entry be made. There are additional differences in the systems of registration of real estates in Baltic countries. In Estonia there is no such type of real estate as building property, since the legislation of Estonia does not allow registering buildings separately from land. Latvia for its part is the only Baltic country where also data on free state (unclaimed) land are registered in Cadastre. In Lithuania data on cadastral objects and real estates coincide since real property and rights to it are registered together. Thus, one of the main conclusions in this Review is that differences in the approaches used in three Baltic countries regarding registration of real estate are sufficient to argue that mutual comparisons of data presented here can be made only conditionally and it is much more useful to analyse them separately.

Besides, there are also peculiarities also concerning the institutional aspect of registration of real estates. There is a single register of real estates in Lithuania, and registration of real estates and securing of title is performed simultaneously. Cadastre and Land Book are separate institutions in Latvia. Estonia has even three registers of real estate – Land Cadastre, State Register of Construction Works and Land Register.

In relation to current initiatives that are being undertaken in registers of real estate of Baltic states, it can be noted that in **Estonia** it is intended to improve the Cadastral Information System, including the information system of restrictions, spatial queries and data management tools, history reports, tools for a more detailed management of information regarding land tax incentives and other related legal acts. One of the major projects to mention is the plan to merge the State Assets Register with Cadastre, i.e. the State Assets Register as such will cease to exist and its contents will be divided between the existing registers. This should be implemented from January 2006; currently work with relevant legislation goes on. The development project of a new version of the electronic land register is also continuing. The project was initiated in cooperation with the Centre of Registers in 2003, the main aim was to update the information system in conformity with changing requirements and to establish basis for transition to fully electronic registration procedure. The implementation deadline is January 2006. Also the development of the Buildings Register is continued in 2005.

Improvements are necessary in order to meet the requirements that are stipulated in the register's articles. In 2005 it is planned to continue the development, whereas the main emphasis is laid on integration with GIS-based systems. It is intended to perform additional works in order to associate the attribute and spatial data of these buildings in case of which automatic associating did not yield a proper result.

One of the priorities of Cadastre of **Latvia** is the Draft law on National Real Estate Cadastre that has been developed in order to align the legal basis of keeping the cadastre and related issues in Latvia; also the work on elaboration of secondary legislation is taking place. New software for graphical data is being developed. The first-registration of new-built houses and objects that are not registered in Cadastre of Latvia is going to be started in 2005.

In **Lithuania** the present structure of the Real Property Register and the databank entailing physical and legal characteristics (such as ownership, etc.) of real property have been developed since 1997. During this period the system underwent rapid computerisation and automation. Data from paper files were moved to the computer storage; the processes of property registration and accounting are being optimised.

Technological and software solutions of the Real Property Cadastre and Register database have got positive evaluation often. A multi-purpose Real Property Register information system has been acknowledged as one of the most advanced systems in the Eastern and Central Europe. Even before the accession to the EU the Lithuanian Real Property Information System was involved into the common project EULIS (European Union Land Information system) implemented by the most advanced European countries.

Regarding future trends in the field of registration of real estates in Baltic countries the possible impact of EU has to be considered. It has to be stressed that accession to the EU has brought about considerable changes in their political and administrative lives. However, this impact is going to be moderate in the field of cadastre, since cadastre as such is not included as a matter for harmonisation in the European Union. Historically there has evolved a pronounced diversity of cadastral systems in Europe; there was no model to which candidate countries had to adapt during the negotiations with regard to cadastre. Accession to the EU rather means deepening of cooperation with other member states of EU, in order to facilitate the exchanging experiences and best practice between members and to agree on common principles regarding the keeping of the cadastre. One of the latest initiatives in this field is the aforementioned EULIS project, which was started in 2002. The key target of EULIS project is to provide efficient, unified access and reliable information on interests in land and property across national borders.

If you have any questions regarding this review, feel free to contact any of these specialists:

Andres Juss, Estonian Land Board (andres.juss@maaamet.ee)

Ilze Goba, State Land Service, Latvia (ilze.goba@vzd.gov.lv)

Bronislovas Mikūta, State Enterprise Centre of Registers, Lithuania (mikuta@kada.lt)

Appendix

Terminology definitions

	Estonia	Latvia	Lithuania*
Real estate	A delimited part of land (plot of land).	Land together with buildings and waters on it that is legally secured to natural or juridical person	Land and objects related to it, the location thereof is impossible to change without changing their purpose of use or without reducing their value and economic purpose; or property that is acknowledged as such by the laws.
Land parcel	(i.e. cadastral unit in Estonia) - a plot of land registered in the cadastre as an independent unit.	(i.e. land unit in Latvia) – a plot of land in single administrative-territorial unit with boundaries set in the area and in cartographic material or, during the land reform – only in the cartographic material, which is registered in National Real Estate Cadastre.	
Land properties (i.e. “properties including land” in the Review)	All real estates, ownership to which is secured in the Title Book	All real estates, ownership to which is secured in the Land Book. Data on land properties in tables contain also numbers of legal tenures – real estates that have been formed but have not been secured in Land Book.	
Flat properties	Ownership of the physical share of a structure together with a legal share of common ownership to	(i.e. flat properties in planned and accelerated privatisation in Latvia) - Separate ownership of	

	<p>which the physical share belongs.</p>	<p>each owner together with respective part of joint property in an apartment house, where several owners own apartments. Flat property is created if the apartment house is transformed to flat properties according to law, judgement, contract or testament. Flat properties are created mostly in the result of privatisation of apartments.</p> <p>Thus ownership to flat in Latvia can be obtained in two ways:</p> <ol style="list-style-type: none"> 1) In the result of planned privatisation – after the apartment house has been submitted for privatisation. In this case the ownership arises after registration in the Land Book. The person owns the flat and a part of the apartment house and land in joint ownership. 2) In the result of accelerated privatisation – if the apartment house has not been submitted for privatisation – ownership to flat arises after it has been registered in Cadastre of Latvia. In this case person owns only a flat and when the apartment house is submitted for privatisation, ownership has to be reregistered in the Land Book. 	
--	--	---	--

Building properties	- (There is no such type of property)	Real estates that contain only a building and that are located on land owned by other person.	
Premises	(i.e. residential premise in Estonia) - structurally separate set of living quarters with a private entrance either from outside the building or from a common hall, lobby, vestibule or stairway inside.	(i.e. group of premises in Latvia) - type of cadastral object; appropriate for specific type of utilization, constructively enclosed body of premises, separately usable part of the building (for example, apartment, workshop of artists, non-residential space, etc.)	A part of the building with clearly defined function (flats, offices, etc.) walled off from premises of common use, other flats or non-residential premises.
Type of land use	A part of a cadastral unit, which has the same intended economic use and/or natural status and which is not delimited by boundary markers.	Land, which differs regarding its natural characteristics and is used for certain needs for several years in succession.	
Purpose of use of real estate	The use or uses of a cadastral unit permitted by legislation and determined pursuant to the procedure provided therein.	Permitted type of usage for real estate according to use of territory allowed in the planning of local government territory and approved regulations for building, defined and approved by executive body of local government or public authority for purposes of calculation of real estate tax and cadastral valuation.	

* Only two definitions were available in English from Lithuania at the moment.