

Official committees of valuation experts and taxation in Germany

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GERMANY

1.217 committees

one per 66.000 inhabitants

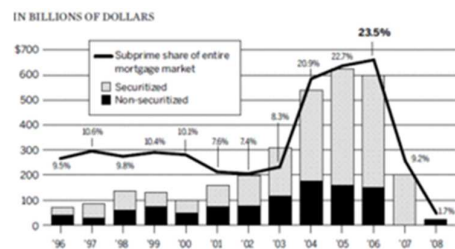
one per 295 km²

1,000,000 transactions p.y.

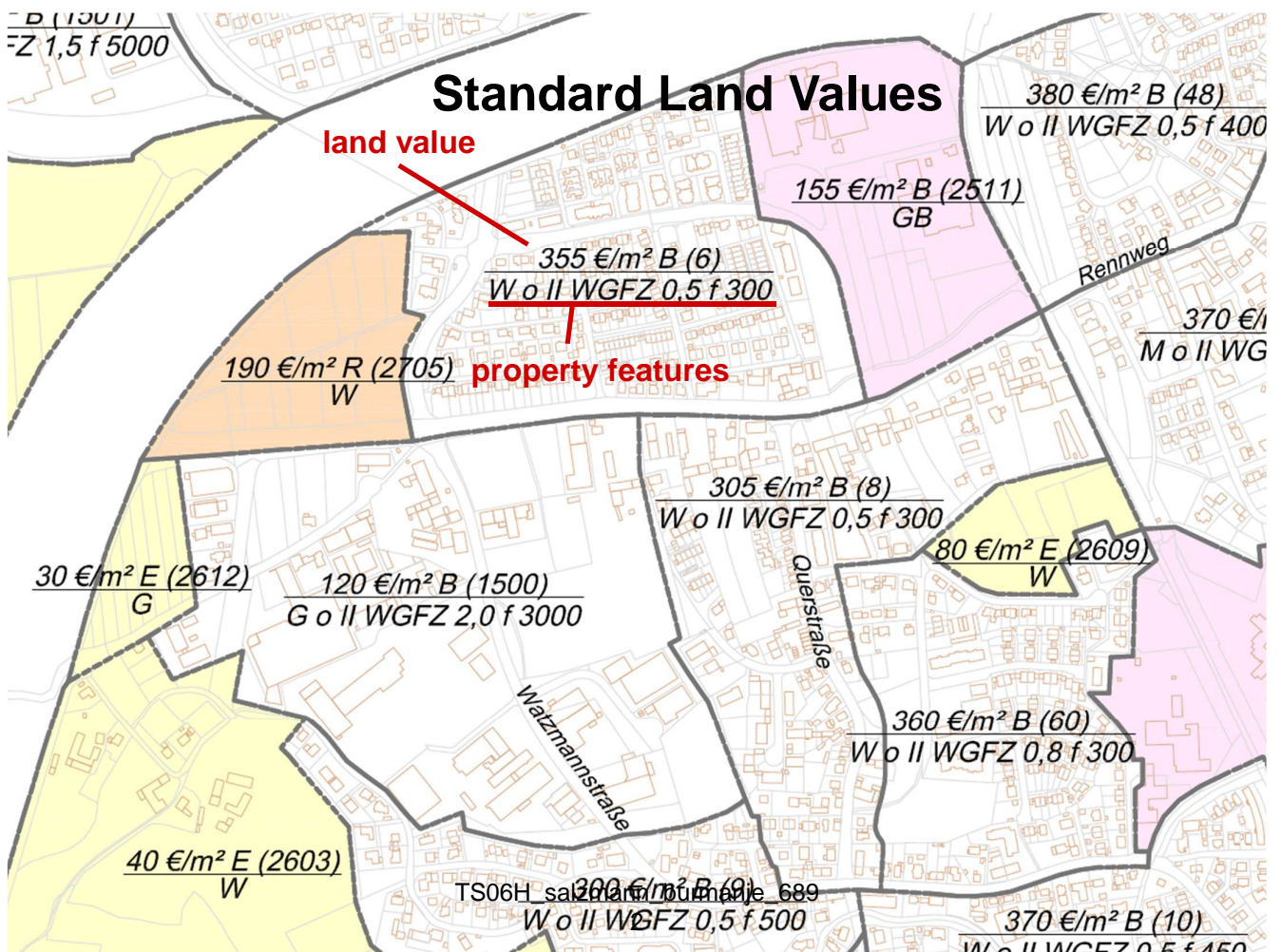
160 Billion Euro p.y.

Official Committees of Valuation Experts in Germany (additional issues since 2009)

- Responsibilities are significantly extended
- Market transparency after subprime crisis
- Fairer taxation, based on market values
- Information to the tax offices



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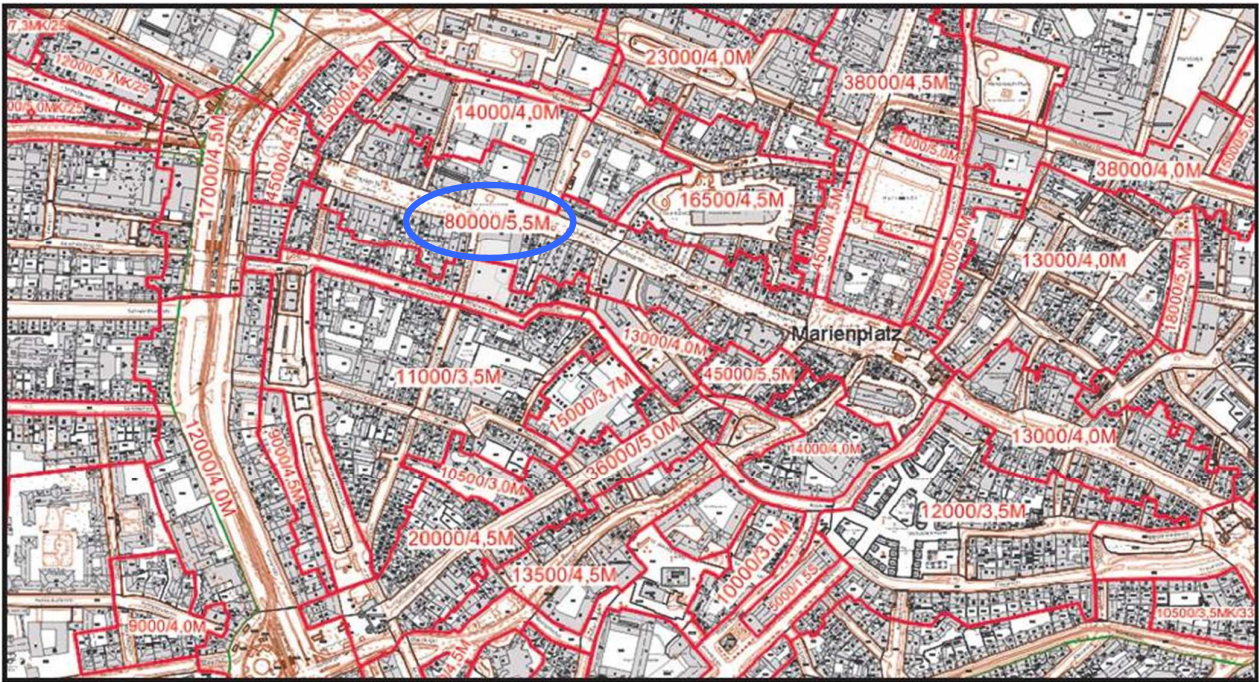
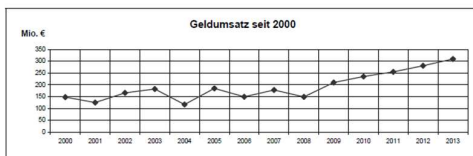
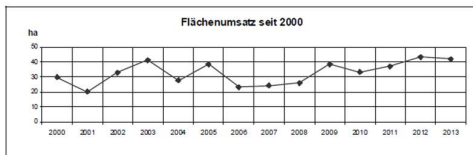


Abb. 6-65: Ausschnitt Bodenrichtwertkarte München (Innenstadt)

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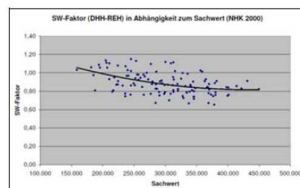
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Indices



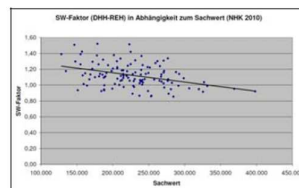
Asset value factors based on Standard building costs

NHK 2000



Anzahl der Stichproben: n = 122
Bestimmtheitsmaß: R² = 0,22

NHK 2010

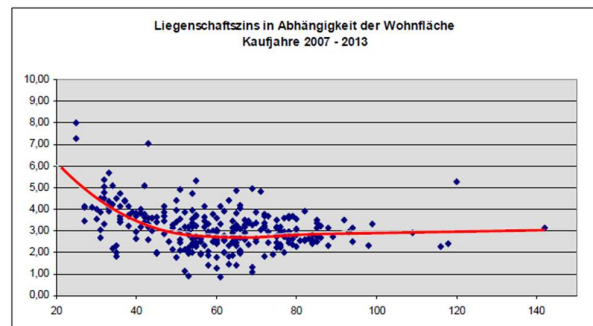


Anzahl der Stichproben: n = 122
Bestimmtheitsmaß: R² = 0,14

Comparison Factors

Lage	Anzahl	Ø Wfl. m ²	Preisspanne €/m ²	Ø KP €/m ²	Std.abw. €/m ²	Ø KP alt 2012 €/m ²
Zentrum	66	95	3.065 – 5.155	4.000	± 413	3.450
Gute	122	78	2.278 – 4.064	3.300	± 352	2.750 / 2.450
Mittlere	145	84	2.274 – 3.854	2.900	± 320	2.200

Property yields



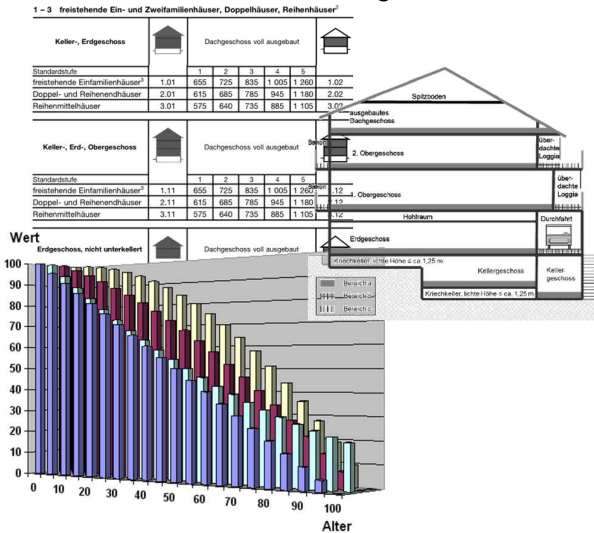
Wohnfläche m ²	20	30	40	50	60	70	> 80
Ø LZ	6,1 %	4,4 %	3,5 %	3,0 %	2,9 %	2,9 %	3,0 %

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model NHK 2010

Standard building costs



market

(Individual counted market value)



Tax offices

(mass appraisal)



210.000 €

265.000 €

x 1,26

Asset value factor

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TAX VALUATION OF REAL ESTATE

Valuation of real estate is crucial particular in three sectors:

- Capital transfer tax and gift tax
- Real estate tax and real estate transfer tax
- Profit and surplus assessment

1. Capital transfer tax and gift tax



Guideline for asset values 2012 → Asset value factors → Tax offices (mass appraisal)



Guideline for comparison method 2014 → Comparison factors → Tax offices (mass appraisal)



Guideline for income approach to valuation 2015?? → Property yields → Tax offices (mass appraisal)

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2. Real estate tax and real estate transfer tax

Three models (still) in validation

- **Based on property value** asset values (asset value factors), comparison values (comparison factors), income approach values (property yields)
- **Without any influence of value** no valuation methods but factors fixed by municipality
- **Particular influence of value** standard land values combined with factors fixed by municipality

All valuation factors by the Committees of Valuation Experts to tax offices



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3. Profit and surplus assessment

(only by business property)

- Calculation of **partial value** based on the market value
- by asset value (asset value factors),
- by comparison values (comparison factors),
- by income approach values (property yields)

All valuation factors by the Committees of Valuation Experts to tax offices

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Conclusion:

- Data of Official Committees of Valuation Experts are essential for ensuring fair taxation
- Same models by calculating and using parameters are necessary
- Following the guidelines for asset valuation, comparison method and income approach valuation should be required by law
- if necessary -



One family house: 1+2



Farmhouse: 1+2+3



9-flat house: 1+2+3

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