

VALUATION UPDATES



BY

GILBERT KERMUNDU

CGV

kermundugilbert@yahoo.co.uk

**PRE-AGM CONFERENCE
AT
SPEKE RESORT
MUNYONYO**

© April, 2021

PRESENTATION OUTLINE

☐ Office of the Chief Government Valuer (CGV)

- ✓ Built environment resilience in the context of emerging global challenges
- ✓ Who is CGV?
- ✓ Where is CGV's Office?
- ✓ What is the mandate of CGV?
- ✓ Policy and legal framework
- ✓ What functions/services does CGV offer?
- ✓ Growth of CGV's office
- ✓ What challenges does CGV face and how are they being handled?

☐ Updates from CGV on Valuation

- ✓ Valuation Bill
- ✓ Valuation Standards
- ✓ Valuation Portal

☐ Conclusion

☐ Q&A

What is built environment resilience?

Resilience is the capacity to sustain operations under both expected and unexpected conditions where the unexpected conditions are not only threats but also opportunities.

“The quality of a built environment's capability (in physical, **institutional**, economic and social terms) to keep adapting to existing and emergent threats”

Valuation like all other built environment professions should fall under the institutional part.

What are the emerging global threats?

COVID 19 Pandemic

Financial Crises

Political unrest and insecurity

Who is CGV/Commissioner Valuation?

The officer who **heads the Valuation Department** and is also referred to as the **Chief Advisor to Government** on Valuation matters.

The officer charged with providing strategic leadership, coordination and guidance for the delivery of the Gov't valuation function in the Country.

WHERE IS CGV'S OFFICE? - MLHUD

In the Ministry structure, CGV's office a.k.a the Valuation Department is under the "Directorate of Land Management."

It was **elevated to the level of Department** in the **FY 2019/20**

Where is
CGV's
Office?

Physically?

The office has moved into its new home in the space formerly occupied by the Uganda Land Commission.

This is the space on the Ground Floor of the wing fronting Siad Barre Avenue opposite Dewinton Road.

Access is currently via the rear next to the Land Use offices.

WHAT IS THE MANDATE OF CGV'S OFFICE?

“To provide timely and reliable valuation services to Government”

Policy and Legal Framework

Currently - No **principal legislation** establishing the office

CGV operates under several legislations;

- **The Constitution of Uganda 1995**; Articles 26 and 237 read together with the Land Acquisition Act, 1965, Cap. 226, Land Act 1998, Cap. 227, Mining Act, 2003 and the Petroleum (Exploration and Production) Act, 2000, Cap for Compensation purposes.
- **Land Act, 1998, Cap. 227**. For Instance, Section 41(4)(b), (6)(a) of the Land Act, Cap 227 guides on assessment of compensation for land to be acquired by Government under the land Fund
- **Stamps Act, Cap 342 and the Public Finance and Accountability Act, 2003**. The Chief Government Valuer is required to determine stamp duty payable in transfer of property between parties.

Policy and Legal Framework Cont'd...

- The Mining Act, 2003:- (Section 83 and section 82 of this Act on Compensation)
- The National Land Policy 2013
- The Registration of Titles ACT CAP 230, 1924
- The Surveyors Registration ACT CAP 275, 1974
- The Survey Act CAP 232, 1939
- National Oil and Gas Policy
- The National Physical Planning Act 2010.
- The Local Governments Act CAP 243, 1997 (as amended)
- The National Wetlands Policy (1995)
- National Environmental Management Statute (1995)
- Environmental Impact Assessment Regulations (1998)
- The Decentralization Act (1997).
- Public Procurement and Disposal of Public Assets Act, 2003 and its Regulations
- Stamps Act, Cap 342
- The Public Finance and Accountability Act, 2003
- Petroleum and Gas Exploration and Production Act, 2013
- The Land Regulations, 2004; Section 24(1)
- The Access to Roads Act CAP 350, 1969
- The Road Act (1964)

VALUATION DEPARTMENT

DIRECTORATE OF LAND
ADMINISTRATION AND MANAGEMENT

Revenue Generation



Stamp Duty
Capital Gains Tax
Probate
Premium
Ground Rent
Conversion
Property Tax (Rating)
Assets Disposal
Rental for Gov't Property

Land Acquisition



SGR *Reliable Connectivity*

Functions

Ensuring sound policy and legal framework for land and property value
Develop and implement valuation standards and guidelines.
Provide timely and reliable valuation services to Gov't.

Functions of the office of CGV

Plays a critical fiscal responsibility

a. Generation of Revenue to finance the National Budget

b. Advising Gov't on expenditure/awards

FUNCTIONS OF THE OFFICE OF CGV

Assessment of compensation for land and properties acquired by Government;

Valuation for Stamp Duty purposes;

Valuation for probate;

Rental valuation for properties to be occupied by Government;

Determination of premium and ground rent for Government Leases;

FUNCTIONS OF THE OFFICE OF CGV

Valuation for sale and purchase of properties by the Government;

Valuation of leaseholds for conversion to freeholds;

Assisting districts to determine compensation rates;

Mediation, adjudication and litigation on property valuations where necessary; and

Local Government Rating Valuations

Other matters incidental

14 GROWTH OF CGV'S OFFICE

The valuation function in the country has endured many years of neglect and critically low levels of resourcing in terms of staff, equipment and funds since the 1970s.

The valuation mandate has only widened over the years.

Government support and interest in the function has picked up over the past 5 or so years

Growth of CGV's office from 2015

	2015	2021
Level	Division	Department
No. of technical Staff	13No.	39No. (13 on contract)
	RSU's – 4No.	RSU's - 10No.
Budget	Less than 200m	3.6B
Tooling (Vehicles)	3	16
Staff training at Masters level	1	6
Staff training at PhD level	Nil	1 enrolled
		2 others in the process of enrolment

Challenges Faced and how they are being addressed?

Challenges	Interventions
Lack of a principal law establishing the Office of the CGV	Valuation Bill is in the Offing: Principles of the Valuation Bill Approved by TMM for onward submission to Cabinet
Inadequate staff structure; Lean staff structure at 35%	Engaging of Contract Staff and Graduate Trainees. (Still a high risk)
Inadequate data, information, intelligence, system workflows and scalable IT to bolster valuation decisions during assessments.	Development of a Valuation Databank and LAVMIS in the offing. Clearance for the Databank obtained from NITA (U)
Lack of National Valuation Standards.	Procurement of Consultancy to Develop National Valuation Standards underway

Challenges Faced and how they are being addressed?

Challenges	Interventions
Inadequate tooling and specialized software for valuation.	With Support from USMID AF, some equipment has been procured. The new valuation office has also been renovated
Inadequate professional training and Capacity Building specialized valuation of plant and machinery, natural resources business, oil and gas among others.	Training of staff being undertaken. A recent group training was undertaken at Ridar Hotel in February 2021
Inadequate budget support	The Valuation Infrastructure Project has been developed to lobby for funding from MoFPED
Inadequate sensitization of the public on valuation	TV appearances made, recently the Ag.ACV appeared on NTV to talk about valuation. Outreach programs being planned

GENERAL VALUATION CHALLENGES

Loss of valuation territory to other practices

Lack of a specific legal framework and national valuation standards

Unethical practices and unprofessionalism by practitioners

unexplainable valuation variances on the same properties by different valuers amongst others.

loss of trust in the profession in the eyes of clients and the general public.

SOLUTIONS TO MAKE VALUATION RESILIENT

Professionalizing Valuation in the Country

Development of specific legal framework

Development of National Valuation Standards

Development of Valuation Databases and systems

Research and development

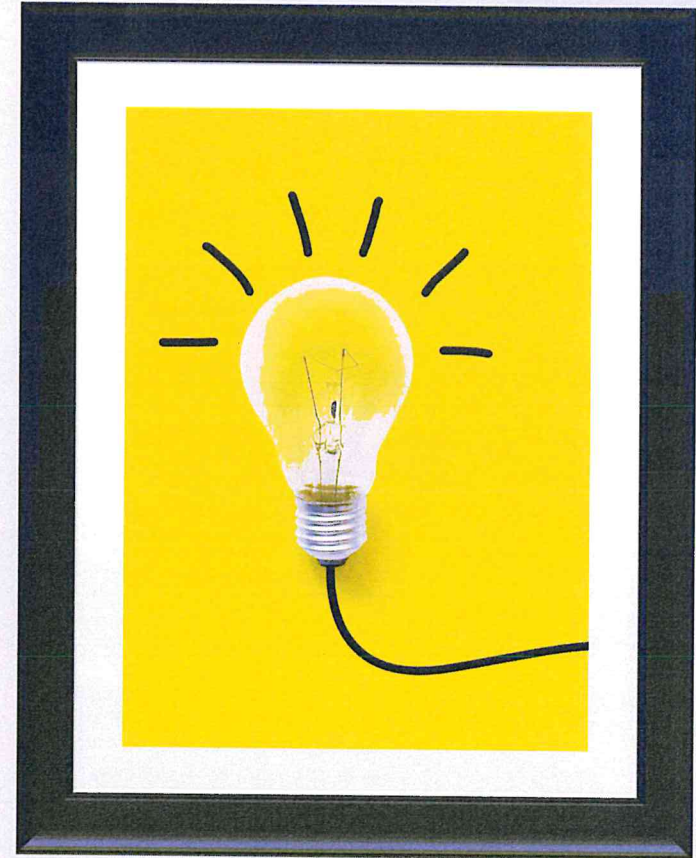
STATUS OF VALUATION LAW, VALUATION STANDARDS, VALUATION PROFESSIONAL PORTAL AND FRAMEWORK

Interventions	
<i>Valuation Bill</i>	<ul style="list-style-type: none"> ➤ Principles of the Bill approved by Ministry Top Management and Forwarded to Cabinet for approval ➤ Draft Bill ready awaiting clearance of Principles by Cabinet ➤ Tabling in Parliament before new house is sworn in
<i>National Valuation Standards</i>	<ul style="list-style-type: none"> ➤ 6No. Bids received ➤ Evaluation of received bids commencing on 19th April 2021 ➤ SRB co-opted to be part of the evaluation committee
<i>Valuation Professionals Portal</i>	<ul style="list-style-type: none"> ➤ 8No. Bids received ➤ Evaluation of received bids commencing on 19th April 2021 ➤ SRB co-opted to be part of the evaluation committee
<i>Valuation Professionalization Framework</i>	<ul style="list-style-type: none"> ➤ 8No. Bids received ➤ Evaluation of received bids commencing on 19th April 2021 ➤ SRB co-opted to be part of the evaluation committee

21 CONCLUSION

- ❑ For Valuation to remain resilient in the built environment, there is need to embrace professionalism, acquire the relevant competences, have a mindset change to recapture the lost territories.
- ❑ Having the legal framework, standards, databases etc will remain redundant if we don't step up our game

16/04/2021



22

16/04/2021

