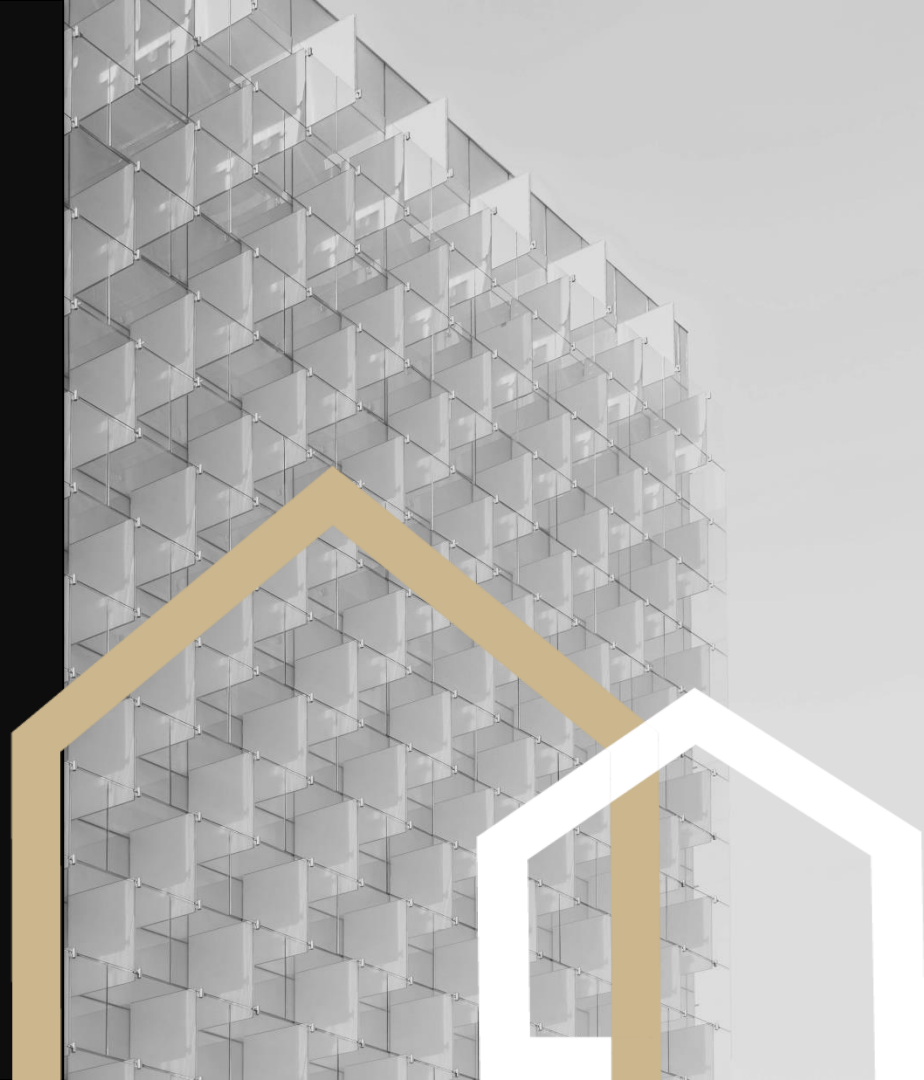
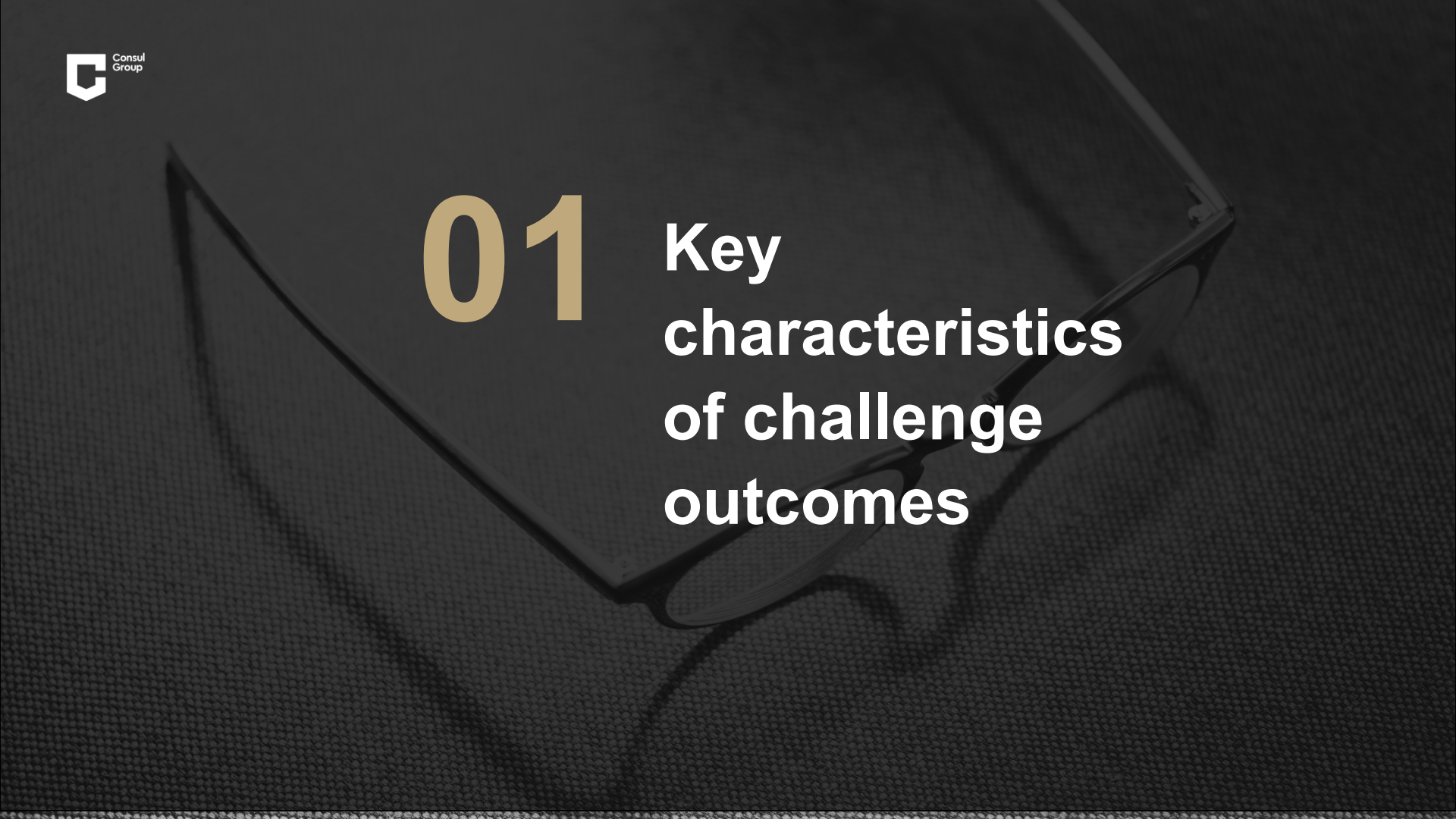
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Challenging cadastral value in Moscow

Analytics Period: 01.2017 – 09.2018
Scope: 17,175 properties

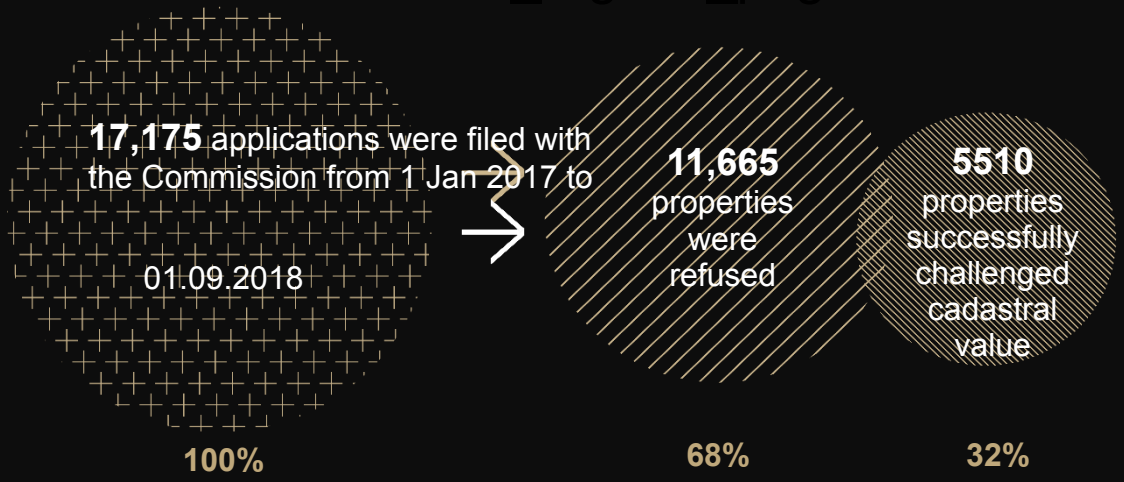




01 Key characteristics of challenge outcomes

Properties for which an application to set cadastral value at market value was filed with the Commission, by review outcome

1_regular_page



As at 1 Sep 2018

Aggregate value of the properties «before» and «after» Commission review

1_regular_page

Aggregate value of 17,175 properties



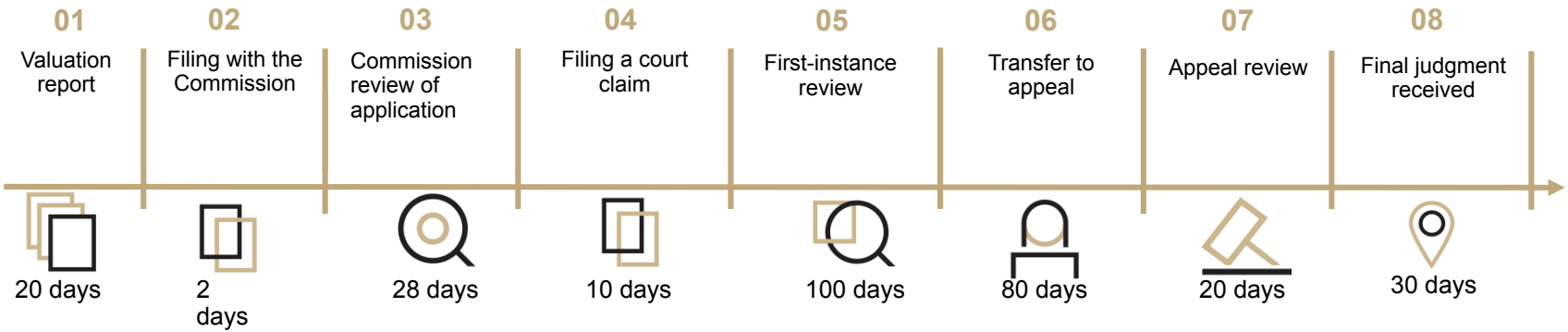
As at 1 Sep 2018

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02 Dispute timeline

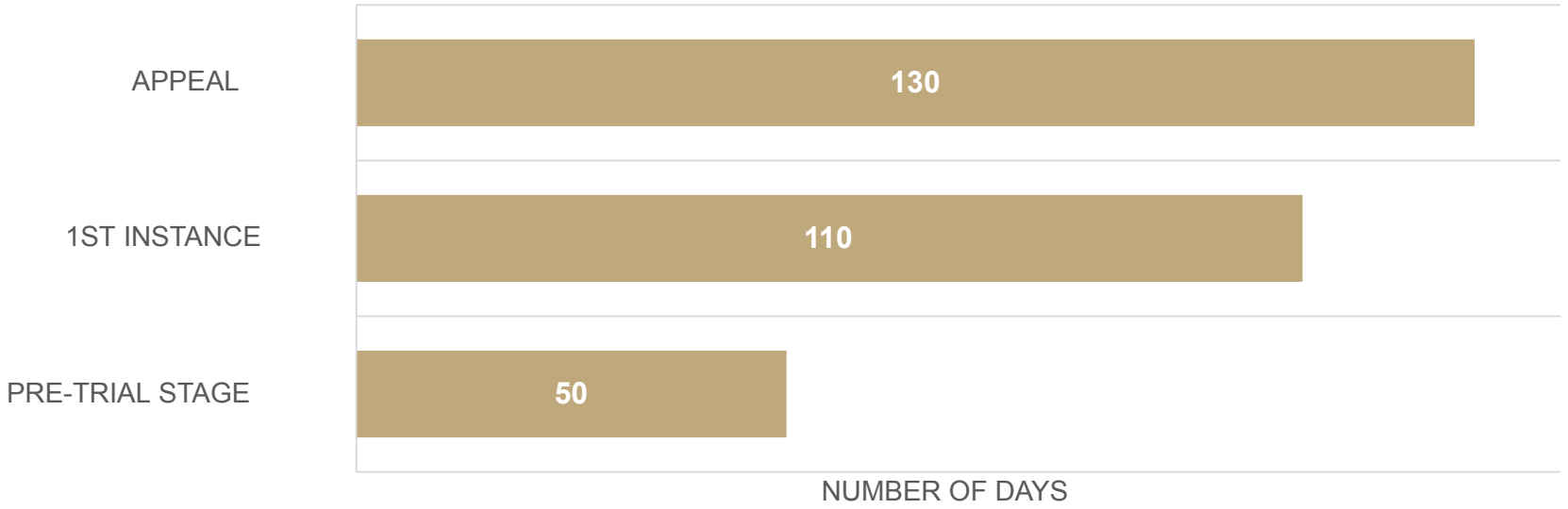


Average timeline where the Commission refuses to set market value



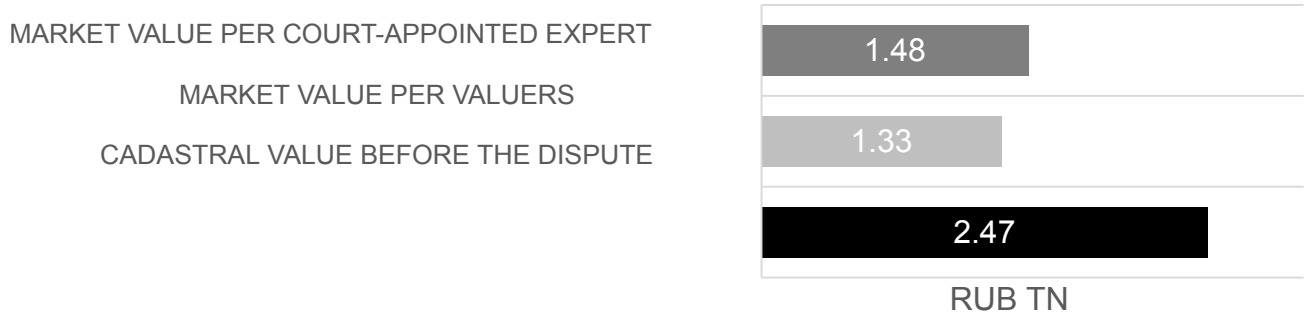
On average, setting the cadastral value of a property in Moscow takes 290 days (10 months)

Average timeline where the Commission refuses to set market value



At the time of this analysis, of the 11,665 properties for which the Commission refused to set cadastral value, the decision had been overturned in court and the changes recorded in the State Real Estate Cadastre for 5097 properties.

ANALYSIS OF CLOSED CASES



Errors in valuing properties

The average discrepancy between «market value per the valuer» and «market value per the court-appointed expert» is 11.3% upwards.

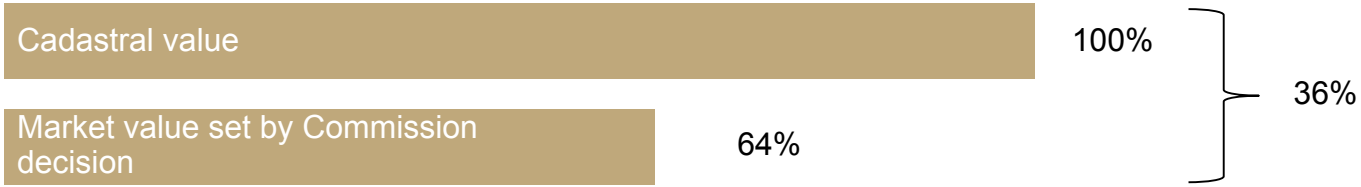
Discrepancies of 300–500% are not uncommon, pointing to unprofessional conduct by some valuation firms.



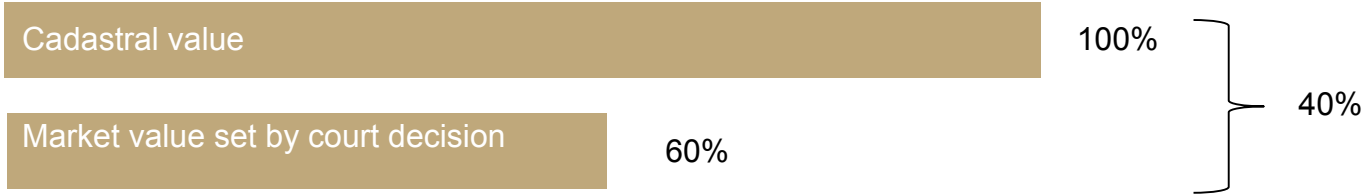
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03 Comparative analysis of cadastral value cuts: Commission vs Moscow City Court

Cadastral value reduction in the Commission (5510 properties)



Cadastral value reduction in the Moscow City Court (5097 properties)



Illustrative cadastral value challenge projects

Negative project outcome



Cadastral value of the building before the dispute: RUB 3,445,561,137.98. Market value of the building per the valuer's report: RUB 2,109,037,000.00.

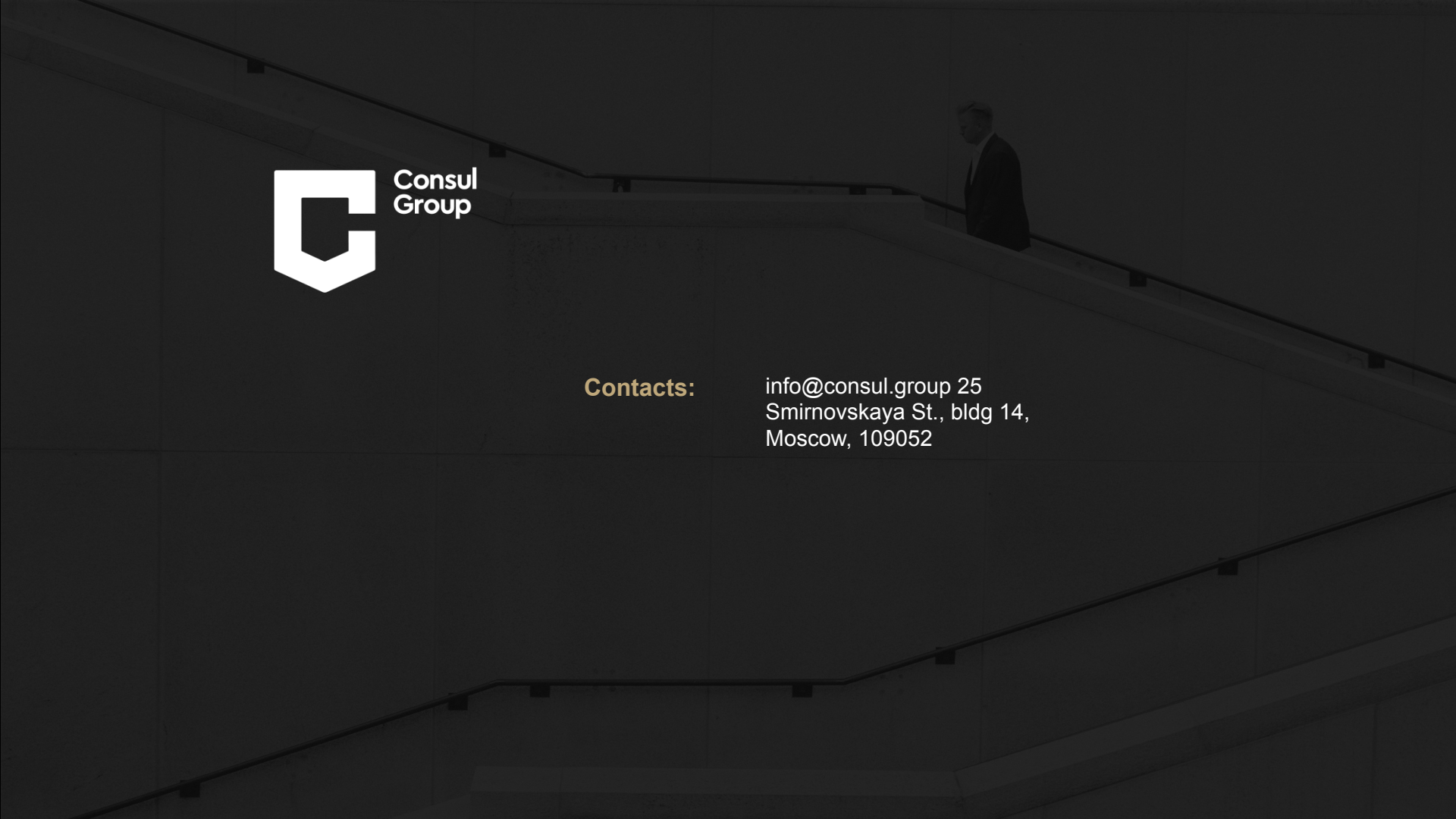
Market value calculated by the court-appointed expert and approved by the court: RUB 3,785,519,000.00. The building owner's **loss** from the increase in the building's cadastral value by RUB 339,957,862.02 came to – **9,858,778.00** RUB in corporate property tax for 2017 and 2018.

Positive project outcome



Cadastral value of the building before the dispute: RUB 31,882,059,882.69.
Market value of the building per the valuer's report: RUB 8,555,419,000.00.

Market value calculated by the court-appointed expert and approved by the court: RUB 13,559,039,900.00. The building owner's **saving** from the reduction in the building's cadastral value by RUB 18,323,019,982.69 came to – **531,367,579.50** RUB in corporate property tax for 2017 and 2018.



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