

# Land Registration in Norway

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# NORWAY - A STUDY OF THE LAND REGISTRATION EXPERIENCE

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## I. Executive Summary

### Figures and facts of Land Registration in Norway:

Feature	Numbers	Comments
Total population	4,4 million	
Total surface	324.000 sqkm	Main land
Local Courts	87	Legal registration and updating of the national Land Book
Municipalities	435	Responsible for cadastral surveying and registering data in the Cadastre
Total number of parcels	2,4 million	
<b>Land Book</b>		
Number of land sales	Approx. 140.000 per year	Number of title transfers registered
Number of mortgages registered in the Land Book	Approx. 450.000 per year	
Fee for registration of a deed in the Land Book	100 USD + a stamp duty of 2,5 % of the sales price	
Fee for registration of a mortgage in the Land Book	150 USD	No additional tax on mortgages
Personnel involved	Approx. 300	Including filing personnel at Local Courts, Lawyers and IT experts
<b>Cadastre</b>		
New parcels surveyed	Approx. 25.000 per year, of which 10 % are leasehold parcels	
Adjustments of boundaries	Approx. 25.000 per year	
Fee for cadastral surveying	Approx. 800 USD on average	For a typical parcel for a one family house (1000 sqm)
Personnel involved	NMA supervisors: approx. 50 Filing data: approx. 120 man year Field surveys: approx. 360	Approx. 15 of the supervisors with University degree. No special education for filing. Most surveyors have 2-3 years technical school
<b>Land Information System</b>		
On line users	Approx. 15.000	Approx. 10 distributors
Personnel involved	13	In the State owned enterprise, Norsk Eiendomsinformasjon AS, NE. Distributor personnel not included.

## ***Objective***

The objective of this report is to give an example on how a land registration system can be operated in a business like manner, to World Bank project managers, using Norway as an example.

## ***Land Registration***

The Land Administration of Norway is supported by two registers, The Land Book (or Land Title Registry) and the Cadastre. Information from the two registers is distributed as the Land Information System.

The Land Book containing information on legal and financial rights concerning real estate properties, is maintained by 87 local courts, and is administratively supervised by the Ministry of Justice. The Land Book is a judicial register, covers the whole country, is fully computerised, and comprises of one central database.

The Cadastre is updated locally by the 435 municipalities. The alphanumeric part of the Cadastre is fully computerised as a central database under the control of the National Mapping Authority (Statens kartverk), to which the municipalities continuously report changes. The cadastral maps are however currently only held at local level, in analogue or digital form as decided by the individual municipality. A national parcel map database is under implementation by the National Mapping Authority. The Cadastre contains "technical" information about parcels, buildings and addresses.

The two registers or central databases, for the Land Book and the Cadastre respectively, are closely linked to each other and operated by a 100% State owned enterprise, Norsk Eiendomsinformasjon AS, NE. NE has the exclusive rights as a wholesaler of information from the two registers. The two databases in combination are distributed via approximate 10 competing distributors as the Land Information System, EDR, to 15.000 on-line users.

## ***Historical Background***

The first known property registers in Norway dates from about year 1250 a.c., implemented for raising tax to the crown, for drafting men for military service and to protect private rights of land. Using land as security for mortgage loans became common following the general economic development during the 19th century.

To speed up the registration process, which at that time was approx. 3 weeks, it was decided in the mid 1980's to convert the Land Book to electronic form, as a national database. The conversion project took place in 1989 – 1993, and the electronic Land Book was in operation in 1994. In 1998 the average registration time was reduced to 1,2 days.

Formal registration of private properties started in the medieval times, but the current legislation and system came into practise during last century, much based on the German system. A proper

Cadastre, based on professional surveying and mapping of boundaries, only existed in the bigger cities until 1980.

The current Cadastre, which was established during a ten years period from 1978 on, has until now not played an important role in taxation. All land sales, including the sales price, are automatically reported from the Land Book to the tax authorities. A new land tax system, to be largely based on data in the Cadastre, is investigated, and a proposal is currently pending in the Parliament.

To increase efficiency and meet increasing demand for digital Land Book information, it was decided in 1985 to convert the manual register into a digital database. A private company was established to finance and co-ordinate the conversion, operate the database and organise sale and distribution of Land Book data through a set of competing distributors.

Due to changes in the financial circumstances, the Government in January 1992 took over the shares of the company, which in 1994 was renamed to Norsk Eiendomsinformasjon AS, and released the company from the liabilities for the cost of investments.

In 1993 it was agreed with the National Mapping Authority, that NE AS also should undertake operation, sale and distribution of the Cadastral database. The integrated service, providing information from the two databases in combination started up January 1, 1995. NE has a monopoly on its services.

On-line prices have, since the first data from the Land Book were available in 1990, been reduced to 20%.

### *Legal and Policy Issues*

Registrations in the Land Book are regulated by the Law on land registrations of June 7, 1935, no 2 with appurtenant provisions, included specific regulations for the electronic Land Book.

No real estate property can be registered in the Land Book unless it is surveyed and registered in the Cadastre beforehand.

The Land Book, i.e. the electronic version, is a judicial register.

The Land Book is generally open for inspection by any person regardless his or her reason for accessing the information. The only data element not generally open to the public, is the personal identifier.

Any party registering a right in a property can be confident that the right is not challenged by any other rights than those already registered on the same property. Any party can trust that the listed owner is a legal person in position to exercise the rights of the owner. A party can trust that the Government will compensate any loss due to incorrectness of the register, provided that he or she has been in good faith.

Operation of the Cadastre is regulated by The Law on the Cadastre of June 23, 1978, no 70, which also regulates cadastral surveying.

The Cadastre is not a judicial register, but a public information system. The state carries no economic responsibility for the information in the register and the information is generally open for inspection by any person regardless his or her reason for accessing it.

There is a pending proposal for a revised law on the Cadastre. A major recommendation is to introduce private licensed surveyors, to be hired directly by the individual landowner.

The Land Book, the Cadastre as well as the Land Information System is regarded as national infrastructure and operated under 100% State control. The Land Book and the Cadastre by State Agencies, The Land Information System by a State owned enterprise as NE, due to the economic potential in sale of data.

Software development, network and computer operations, and data conversion is contracted to private companies.

### ***Institutional and Organisational Issues***

The operation of the Norwegian Land Registration System is supervised and carried out by institutions from three different Ministries.

The 87 Local Courts are supervised by The Ministry of Justice which also controls 100% of the shares in NE.

The Norwegian Mapping Authority is an Agency under the Ministry of the Environment. The Municipalities are co-ordinated by the Ministry of Local Government and Regional Development.

### ***Technical and Operational Issues***

All land registration operations are computerised and based on modern information technology. The systems are continually updated, and during 1999 a new version allowing on line registration as well as on line access from users, will be installed. The new version will also change from main frame to Windows NT technology.

The technical fundament for electronic registration is in place, pending the legal framework, being developed in parallel with the European Union, to be finished.

The operation of the Land Book, Cadastre and the Land Information System are monitored and controlled by NE, but carried out by IBM on contract. NE is responsible for specifications and development of new versions of the Land Book and The Land Information System, NMA for the Cadastre.

Cadastral surveying and mapping are performed by the Municipalities.

### *Financial issues*

<b>Financing – Land Book</b>	<b>Remarks</b>
Registration of data in the Land Book at the local court offices	Fully covered by fixed user fees
Operation, maintenance and upgrading of the Land Book database	Covered by income from sales of Land Information System data, by NE.
Distribution of data from the Land Book	Covered by income from sales of Land Information System data, by NE.
Conversion of the Land Book from manual protocols to digital form	Paid by the central Government as a one time investment

<b>Financing - Cadastre</b>	<b>Remarks</b>
Cadastral Surveying	Covered by the landowner. Some municipalities subsidise the surveys.
Registration of data in the Cadastre by the municipalities (including updating of the cadastral map)	Covered by user fees.
Operation, maintenance and upgrading of the Cadastre database	Covered by the Government through budget allocation to the National Mapping Authority
Distribution of data from the Cadastre	Covered by sale of Land Information System data, by NE.

Yearly sale of Land Information data by NE amounts normally to 7-8 mill USD. The operating margin is approx. 15%. Prices are set by NE, but based on directives from the Ministry of Justice.

### *Human resources*

The human resources involved in the Land Book, the Land Information System (EDR), Cadastre and cadastral surveying can be summed up in the following table:

<b>Feature</b>	<b>Remarks</b>
Personnel at the Land Book Offices	In total approximately 300 handling 900.000 transactions/documents per year. No specific education. Training is provided.
Personnel in the Ministry of Justice and the Norwegian State Court IT-Service	Approximately 6 man year including lawyers handling claims. IT expertise also employed
Personnel at the company Norsk Eiendomsinformasjon AS	13 staff members, with a mix of IT experts, land surveyors and marketing experts
Personnel at the National Mapping Authority	Approximately 50 man year, 15 with a university degree in Land surveying and Geodesy

Personnel in the municipalities filing data in the Cadastre	Approximately 120 man year in all. No specific education required. Several will have 1-3 year technical school
Personnel undertaking field surveys	Approximately 360 municipal staff members. No specific education or license required. Most municipal surveyors will have 2-3 year technical school

Staff numbers in the table refer to 1999.

Gender balance has never been regarded as an issue, and no statistics are available.

***Risks in conduct of land registration***

Any party can trust that the Government will compensate any loss due to incorrectness of the Land Book, provided that he or she has been in good faith. Title insurance is not practised.

The Cadastre is not a judicial register and the Government (municipality or state) is not guaranteeing the correctness of information in the Cadastre.

***Accountability of agencies providing the service***

Neither the local courts nor the municipalities are accountable for providing services according to set service standards or within given timeframes.

NE, as a joint-stock company, has its budgets and targets determined by its Board. The Ministry of Justice expects in its budgets a targeted dividend from NE each year.

## 1. Land Registration in Norway

### Statistics:

Feature	Numbers	Comments
Total population	4,4 million	
Total surface	324.000 sqkm	Main land
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Municipalities	435	Responsible for cadastral surveying and registering data in the Cadastre
Total number of parcels	2,4 million	
<b>Land Book</b>		
Number of land sales	Approx. 140.000 per year	Number of title transfers registered
Number of mortgages registered in the Land Book	Approx. 450.000 per year	
Fee for registration of a deed in the Land Book	100 USD + a stamp duty of 2,5 % of the sales price	
Fee for registration of a mortgage in the Land Book	150 USD	No additional tax on mortgages
<b>Cadastre</b>		
New parcels surveyed	Approx. 25.000 per year, of which 10 % are leasehold parcels	
Adjustments of boundaries	Approx. 25.000 per year	
Fee for cadastral surveying	Approx. 800 USD on average	For a typical parcel for a one family house (1000 sqm)

### Why Land Registration

Land Registration in Norway dates back to approx. year 1250 a.c., implemented for raising tax to the crown and drafting men for military services.

The aim of Land Registration today is to be a tool for society to secure ownership and rights to land, and to secure land transactions and mortgages. The Cadastre shall serve public sector in land use planning, provide basic information for calling up charges on municipal services for water, sewage, electricity etc as well as being a tool in land taxation.

The Land Administration of Norway is supported by two registers, The Land Book (or Land Title Registry) and the Cadastre. Information from the two registers is distributed as the Land Information System.

## 1.1 *The Land Book*

The Land Book operation process was in the mid 1980's 3 weeks and increasing, due to increased amounts of land transactions and mortgages. To improve the efficiency of Land Book operation and to meet requirements of finance institutions and land owners, the Ministry of Justice, MOJ, decided to digitise the Land Book and establish an electronic Land Book database and a fully computerised operation.

MOJ prioritised speed in the registration process rather than rigid control routines, even though it could result in a certain amount of compensation due to mistakes.

The registration process was in 1998 reduced to 1,2 days, which is close to optimum, since Norwegian law gives equal priority to all registrations done at the same day. Indemnities are insignificant, and less than 1% of the registration fees.

The Land Book is maintained by 87 local courts, and is administratively supervised by the Ministry of Justice. The Land Book is a legal register, covers the whole country, is fully computerised, and comprises of one central database. Data are however initially loaded into local databases at the court offices, to be transferred once a day to the central database

The Norwegian Land Book is based on a title registration scheme. The Land Book identifies the name of current owner, as well as all registered rights in the property. Registration is however not mandatory. A contract is valid and legally binding between the parties without registration, but registration gives protection against third parties. Several laws, as for example the Building and Planning Act, refer to the registered owner (the title holder) as the proper person in position to execute the rights and obligations of ownership. In practise are all land sales and mortgage documents registered in the Land Book.

## 1.2 *The Cadastre*

The Norwegian Cadastre is not a result brought forward by user demand, but by visionaries from the mapping and surveying community. The process to get a complete cadastral map started in the 1920's.

When production of the Economic Map of Norway in scale 1:5000 and 1:10000, including property boundaries in rural areas, was decided in the 1960's, the idea was so mature that the decision was made in Parliament without any real economic evaluation or reasoning behind it. The situation was much the same when the alphanumeric part of the Cadastre, covering technical information about parcels, buildings and addresses, was decided in 1978.

Today the Cadastre is a necessary and important tool for local authorities in land use planning and land management as well as in charging fees for water supply, sewage, etc. The Cadastre has also become very useful in Geographic Land Information Systems as it contains geographic co-ordinates on buildings and addresses.

The Cadastre is designed for tax purposes, but so far not used for land taxation due to unfinished political discussions on tax principles. In a pending proposal for a revised law on the Cadastre, it is proposed to include public restrictions on land in the Cadastre. This is expected to increase private sector use of Cadastre information.

*The Cadastre* is updated locally by the 435 municipalities. The alphanumeric part of the Cadastre is fully computerised as a central database under the control of the National Mapping Authority (Statens kartverk), to which the municipalities continuously report changes. The cadastral maps are however currently only held at local level, in analogue or digital form as decided by the individual municipality. A national parcel map database is under implementation by the National Mapping Authority. The implementation is done in co-operation with the municipalities and will be an integrated part of the future upgraded Cadastre

The Cadastre contains “technical” information about parcels, buildings and addresses, and is, inter alia, the main data source for local authorities in their undertaking of land use planning, handling of building applications etc, and is also the information basis for calling up local fees for water, sewage, etc.

The current Cadastre provides property identifiers used by the tax authorities, but it has until now not played an important role in taxation. All land sales, including the sales price, are automatically reported from the Land Book to the tax authorities. A new land tax system, to be largely based on data in the Cadastre, is investigated, and a proposal is currently pending in the Parliament.

A CD version including some Land Book data and the most frequently used information in the Cadastre, was marketed in 1996. The CD is based on subscriptions and updated 4 times a year. In addition to be used locally on a PC, the CD has functions to link up to the Land Information System, on-line, via Internet to get hold of the most recent updates. It is approximate 500 subscribers to the CD.

### ***1.3 The Land Information System, EDR***

<p>The Ministry of Justice and the Norwegian Mapping Authority saw a possibility to reduce costs and to increase use and revenues from Land Book and Cadastre data if the two registers were better co-ordinated. In 1993 it was decided to co-ordinate technical operation of the two databases and to combine data from both and sell the combined data as the Land Information System. Lower costs as well as increased sales has been obtained.</p>
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The two registers or central databases, for the Land Book and the Cadastre respectively, are closely linked to each other and operated by a 100% State owned enterprise, Norsk Eiendomsinformasjon AS, NE. NE has the exclusive rights as a wholesaler of information from the two registers. The two databases in combination are distributed via approximate 10 competing distributors, as the Land Information System, EDR, to 15.000 on-line users.

Norsk Eiendomsinformasjon AS is:

- responsible for the development and maintenance of the Land Book software. This is however mainly outsourced to private expertise.
- responsible for the day to day monitoring of the functionality of the two databases as well as the Land Information System.
- issuing and maintaining the contract with the technical operator of the databases, based on tendering. Currently IBM is the technical operator.

## **2. Historical background**

### **2.1 *The Land Book***

In Norway, land was slowly occupied by individuals clearing the forests for farming, leaving land in communal ownership between the individual farms. As land use through the centuries became more intense, more and more land came into separate ownership. There has never been general crown or state ownership to land in Norway.

In general most land below the three line is in private ownership. In total there are currently 2,4 million registered properties (titles). The average farm size is 20 ha arable land and 50 ha forest. About 80 % of the families live in one family houses on a typical parcel of about 1000 sqm. Major parts of the mountain areas are owned by the state, not being divided into properties. Leasehold is a common form of land tenure, frequently and mainly used for secondary homes (holiday homes). Leasehold contracts are normally made for 99 years, and land leased for more than ten years is surveyed and registered as freehold properties. In forest areas and mountain areas not owned by the state, common ownership to land shared by a number of farms in the vicinity, is not rare.

Formal registration of private properties started in the medieval times, but the current legislation and system came into practise during last century, mostly based on the German system.

The first known property registers in Norway dates from about year 1250 a.c., implemented for raising tax to the crown, for drafting men for military service and to protect private rights of land. Protection of private rights to land had, up to that time, been based on a system where the rights were secured by being proclaimed at the Courts. The Court was named Ting, and the proclamation of private rights to land was called Tinglysning. Using land as security for mortgage loans became common following the general economic development during the 19th century.

Since the beginning of the 20th century, land tax was largely phased out as an important source for public sector financing. It was replaced by income tax and VAT, but some taxes on real property is still called upon: 2,5 % of a roughly fixed value (on average 30-40 % of the market value) of private houses, dwellings and secondary homes are added to the income, and taxed as such. The same value is also used for taxation of assets, but asset taxes are generally very low in Norway. Municipalities may call upon a separate land tax for properties in urban areas, with an upper limit of 0,7 % of the market price. The market price is established by mass valuation once every 10 year. Finally there is a 2,5 % stamp duty on land sales.

To speed up the registration process, which at that time was approx. 3 weeks, it was decided in the mid 1980's to convert the Land Book to electronic form, as a centralised database. The conversion project took place in 1989 – 1993, and the electronic Land Book was in operation in 1994. In 1998 the average registration time was reduced to 1,2 days.

All old, paper based documents are kept and archived.

## **2.2 The Cadastre**

Formal registration of private properties started in the medieval times, but the current legislation and system came into practise during last century, much based on the German system. However a proper cadastre, based on professional surveying and mapping of boundaries, only existed in the bigger cities until 1980. Until the current law on the cadastre came into force in 1980, new parcel boundaries in rural areas were described by appointed lay men, and registered in the Land Book only. The low standard in documenting boundaries has resulted in a larger number of boundary disputes than in other corresponding European countries. In bigger cities local cadastrals, based on professional geodetic surveying and mapping, have been in existence since last century.

The Cadastre also play an increasingly important role for other branches of public sector, particularly for the municipalities, providing the basic information on land and buildings needed for calling up charges on municipal services for water, sewage, renovation, etc, and for land use planning and construction activities. Data about parcel boundaries and about who owns land, play an ever more important role in land use planning, land management, environmental protection, for fair distribution of subsidies to farmers etc.

The current Cadastre was established during a period of approximately ten years from 1978 on. The initial establishment was mainly based on data from the Land Book (at that time only in analogue form), and from various sources in the municipalities. The Cadastre has been gradually improved over time, and there are still improvements needed when it comes to data quality and data completion. In particular more detailed information on buildings is required to fully satisfy a new property tax system, as is proposed.

## **2.3 The Land Information System, EDR**

Until 1985 the Land Book was maintained as a loose leaf manual archive. It was then decided to convert the manual register into a digital database.

A private consortium offered to undertake the data conversion, as well as the system development, purchase of equipment and training, provided that they should receive the income from sales of information until the investment costs were recovered. The Ministry of Justice accepted the offer. The consortium established a private sector company to organise the conversion, system development and implementation, training and to operate the database. The conversion should initially be financed by a regular private loan.

Due to changes in the financial circumstances, the Government in January 1992 took over the shares of the company and released the company from the liabilities for the cost of investments. The data conversion was however successfully completed in 1993 as originally planned. In 1994 the company changed name from Tinglysingdata AS to Norsk Eiendomsinformasjon AS.

In 1993 it was agreed with the National Mapping Authority, that Norsk Eiendomsinformasjon AS also should undertake the two last activities above concerning the Cadastral database, to be able to provide an integrated service, and to lower costs through facilitating easier exchange of data

between the registers. Combined tendering has also shown significant savings. A major factor in this has been to host the two databases on the same mainframe computer.

The integrated service, providing information from the two databases in combination, are distributed as the Land Information System (Eiendomsregisteret, EDR), started up January 1, 1995.

On-line prices has, since the first data from the Land Book were available in 1990, been reduced to 20%.

#### **2.4 Trends and further development**

During the two last decades separate ownership to flats and to commercial sections of buildings has evolved, currently regulated by the 1995 Law on condominiums. Flats and sections are registered both in the Cadastre and in the Land Book. Building drawings, showing the extent of the flats/sections, are stored at the Land Book offices and by the municipalities.

Public restrictions on land use, and on the use of buildings are widely implemented through zoning and other forms of public planning. For banks and investors, as well as for the average persons who is seeking a property for himself, information about the public restrictions are now as important as information about private legal rights in the relevant property. A pending new law on the Cadastre proposes that the Cadastre, and not the Land Book, shall contain information about the public restrictions.

It can be said that the focus for investing in a public infrastructure for land issues which over time have been i) protecting private rights and taxation, ii) facilitating the use of land as collateral for loans, now also includes, iii) facilitating public land management. However, it must be underlined that widespread and secured private ownership to land has never been disputed as a major factor for economic and social development in Norway.

Actions to upgrade the Land Book and the Cadastre are in the pipeline, with the following main features:

- The Land Book to be operated as a central database only, with real time up-dating from the local courts
- The Cadastre to include a digital parcel map, as well as information about *public* restrictions concerning land and buildings, i.e restrictions which are binding without registration in the Land Book, but where publicity is essential for efficient implementation of the restriction.
- The Land Information System operation will during 1999 be modernised by introduction of Window NT-TCP/IP platforms instead of todays main frame architecture.

### **3. Legal and Policy Issues**

#### **3.1 Legal Issues**

##### **3.1.1 The Land Book**

It is an important goal that land owners invest in their land and that mortgaging and land transactions are functioning safely. The financial instrument and legal protection were established by the Law on land registrations of 1935. Main principles in the law are:

- The Land Book is a legal register.
- The Land Book is open for inspection
- The Land Book provides both positive and negative trust

Registrations are regulated by the Law on land registrations of June 7, 1935, no 2 with appurtenant provisions, included specific regulations for the electronic Land Book.

The registration of title to land (when it is sold) is registered in the Land Book (Land Title Registry), by 87 local courts. The Land Book, i.e. the electronic version, is a legal register, which contains title, encumbrances, servitudes, leaseholds and financial interests and mortgages.

Registration of rights to real properties is necessary for providing the legal protection for those who enter into agreement with the owner of a real property. Upon registration, the right derived from the agreement is protected against claims from third parties with whom the owner enters into agreement and whose rights either has not been registered previously to the first mentioned registration, or are registered at a later stage. Thus, registration serves to protect real security.

Registration provides publicity and proves the timing regarding legal transactions on a real property. Through registration, the agreement on the legal transaction is made public, since the Land Book may be accessed by anybody.

In addition several other laws include regulations which effect the land market and the operation of the Land Book. The Planning and Building act stipulates the conditions for subdividing land, stating that no new parcel should be allowed unless it will have a size and shape suitable for its use, and that the foreseen use of the new parcel is within the approved land use plan. Sale of farmland is strictly controlled to avoid fragmentation, as regulated in the Law on Concession. Conditions for establishing individually owned flats and sections of buildings, and for the operation of condominiums, are found in the Law on Condominiums. The Mortgage Law stipulates the conditions for registering a mortgage.

No real estate property may be registered in the Land Book unless it is surveyed and registered in the Cadastre beforehand. This is controlled at the Land Book office, which also is obliged to check that several other legal provisions for transferring land is fulfilled. The Land Book offices are thus playing an important role in controlling land use and ownership. All land transactions, including the sales price, are automatically, by a computerised routine, reported from the Land Book, through the Cadastre, to the tax authorities.

The Land Book is generally open for inspection by any person regardless his or her reason for accessing the information. The only data element not generally open to the public, is the personal identifier. Keeping the Land Book open for inspection increases the security to banks and other finance institutions issuing loans.

Privacy provisions are regulated according to Europe Council Convention of 1981, Protection of Individual Privacy.

The Land Book provides both positive and negative trust. Any party registering a right in a property can be confident that the right is not challenged by any other rights than those already registered on the same property. Any party can trust that the listed owner is a legal person in position to exercise the rights of the owner. A party can trust that the Government will compensate any loss due to incorrectness of the register, provided that he or she has been in good faith.

The conversion from a paper based to an electronic Land Book did not result in any law changes. All legal documents still have to be stamped by the local Court. The provisions of the Act, however, have been adjusted to support information technology introduction and open up for the role of Norsk Eiendomsinformasjon AS.

### **3.1.2 The Cadastre**

The Cadastre presents the size and boundaries of a property, all buildings on the property and its geographic location. It is regulated by the Law on the Cadastre.

Due to incomplete surveying and no systematic registrations of buildings set up before 1983, the Cadastre is yet neither complete nor accurate enough to meet the requirements. The Cadastre is therefore not a legal register, but a public information system.

To obtain higher quality, the law now requires that all new properties to be registered in the Land Book shall be properly surveyed and registered in the Cadastre before it can be registered in the Land Book. In a pending proposal for a revised law on the Cadastre, it is recommended that cadastral surveyors have to be authorised. It is also recommended that the Cadastre shall contain information on public restrictions to land.

Operation of the Cadastre is regulated by The Law on the Cadastre of June 23, 1978, no 70, which also regulates the surveying of parcels, cadastral surveying.

The Cadastre is not a legal register, but a public information system. The state carries no economic responsibility for the information in the register and the information is generally open for inspection by any person regardless his or her reason for accessing it. The only data element not generally open to the public, is the personal identifier.

The issue of privacy has so far not emerged as a “hot” matter, but some restrictions may be enforced in the future, particular concerning the current selling of names and addresses from the Cadastre for direct mail advertising. Today individuals who do not want to receive direct mail can refuse by noticing the Norwegian Mapping Authority – and their addresses will not be released for that purpose.

Neither the State nor the Municipalities are guaranteeing the information in the Cadastre. Public liability for the Cadastre is in line with liabilities for other catalogues or collections of information made by a public agency. Generally it is accepted that no party can claim compensation if the boundaries or an area listed in the Cadastre is not in conformity with the realities in the field. In Norway it is expected that a potential buyer of a property inspects the property and its boundaries in the field. The government has so far not been forced to pay any compensation based on claims that the information in the Cadastre was wrong. This may change in the future if the Cadastre also includes information about public restrictions on the use of land and buildings.

There is a pending proposal for a revised law on the Cadastre. A major recommendation is to introduce private licensed surveyors, to be hired directly by the individual landowner.

### **3.1.3 Intellectual Property**

Information in the Land Book and in the Cadastre is regarded as intellectual property, and as such protected by copyright. Data loaded into the registers become the property of the owner of the register, regardless who has “produced” the information to be registered. The Ministry of Justice is regarded the owner of the Land Book, the system as well as the data. The National Mapping Authority is in the same position concerning the Cadastre. It should, however, be mentioned that some discussions are going on between the Mapping Authority and the municipalities concerning rights to sell information. Some of the larger cities have recently embarked on selling data from their own geographic area. The copyright issue needs to be clarified, either in the relevant laws or in contracts with any partner who may challenge the governmental “ownership” to data.

Software and database systems are the property of the State through Norsk Eiendomsinformasjon AS and the Norwegian Mapping Authority.

## **3.2 Policy Issues**

Land Administration, included Land Book and Cadastre operation, is regarded as means to secure fundamental rights in society, and as such a State responsibility taken care of by the courts, the municipalities and the Norwegian Mapping Authority. These institutions have all been given a double role, to administer the laws and rules and to carry out the work and services. Historically there existed no private alternative.

Today private alternatives have developed and there is a slow movement towards privatisation. The process is however slowed down by strong political and union opposition.

As the situation is today, it is good reasons to believe that improved quality, lower costs and better services would be the result if cadastral surveying and mapping were privatised, and if the monopoly was removed on sale and distribution of Cadastre and Land Book data. In a pending proposal on revising the Law on Cadastre, privatising of cadastral surveying is proposed.

The Norwegian real estate legislation and registration system has evolved over a long time. It started at a time when there was no real alternative to establishing registers operated by the government. Being a public sector responsibility is not in any way challenged to day, and the registration process is regarded as rapid and safe.

The reasons for maintaining the Land Book and the Cadastre in public sector are mainly the following:

- It ensures the legal status of the Land Book, being the responsibility of the courts
- It ensures a homogenous service for the whole country
- It ensures seamless on-line access to data, regardless administrative boundaries
- It is not possible to introduce competition, as any one office will have a monopoly in the related district
- It ensures that the registration process includes a control of permissions and approvals as required for a land transfer or subdivision.

The demand for electronic versions of the Land Book and Cadastre came from users as banks and other finance institutions, as well as land owners selling property requiring a faster service.

Wholesale and to establish a network of distributors for data from the Land Book, the Cadastre and the Land Information System, EDR, is monopolised through Norsk Eiendomsinformasjon AS. NE is a 100% state owned joint-stock company, but is restricted in its operations and operates in practice as a Governmental Agency.

NE channels information from the Land Book and the Cadastre through the Land Information System to approx. 10 competing distributors. The distributors have about 15.000 on line users, and they are also active producers of value-added products and services.

NE is established to achieve efficiency, focus, control of revenues and easy access to data, but is restricted in its operations, due to a generally acceptance that the Government is not market oriented and shall not unnecessary expose itself to risks from commercial activities.

It is generally agreed to use outsourcing of functions as software development, computer and network operations, and data conversion regarding the Land Book and the Cadastre. Outsourcing is based on tender and competition. The experience is positive and has resulted in better services at lower costs to the government. It should also be noted that the job to convert the Land Book to digital form was successfully undertaken by private sector companies.

Major arguments for outsourcing have been:

- Clearer identification of costs
- Possibly (but not necessarily) lower costs
- Forcing production of exact specifications (as needed for tendering)
- Avoids capacity building in public sector which is not permanently needed
- Access to expertise which is not permanently needed in the public agencies, or which the government of various reasons may find difficult to employ

The most important recommendation in the pending proposal for a revised law on the Cadastre is the introduction of private licensed surveyors, which can be hired directly by the individual landowner. The main arguments for this change are:

- The function, provided that it is stripped from exercise of public authority, may just as well be undertaken by private surveyors
- To provide better service to the clients, in terms of reduced waiting times and advice- giving
- Introducing competition to establish “correct” prices
- Improve the service quality through introducing licensing (which is regarded politically difficult to do if surveying is maintained as a public monopoly)

#### 4. Institutional and Organisational Issues

Land Administration is organised to obtain:

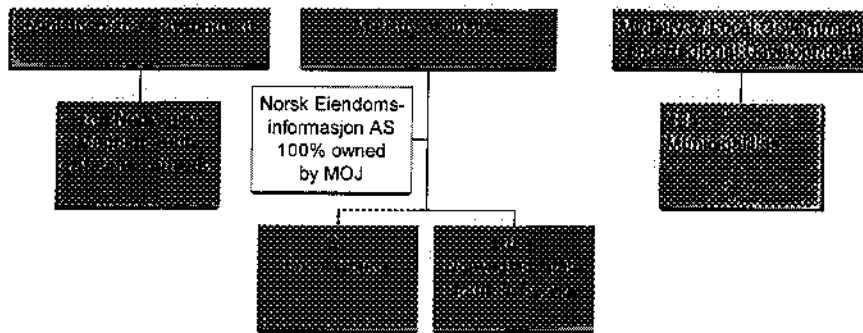
- National systems for the Land Book and the Cadastre
  - Optimised communication between the two registers
  - Local responsibility for cadastral surveying, and Land book and cadastral registration
  - Legal status of the Land Book
- and
- User financing of Land book digitising and electronic Land Book operation

The way Norway has organised sale and distribution of Land Book and Cadastre data through the company Norsk Eiendomsinformasjon AS, is the result of how digitising and development of the electronic Land Book was financed. The Company started as a private business company, and financed the electronic Land Book under the condition of getting monopoly on sale and distribution of data. It ran later into economic problems, the State took over, but kept it as a joint stock company, and the company also kept the monopoly position. This was a pragmatic solution that made it possible to finance the electronic Land Book outside the normal State Budget process. It also introduced a more business-oriented attitude than the one present in the local courts, the municipalities and the Norwegian Mapping Authority. Norsk Eiendomsinformasjon AS got in 1993 also monopoly on sale and distribution of Cadastre data.

Even though Norsk Eiendomsinformasjon AS is regarded as a success and a good functioning company, there are no longer good arguments for it to continue to have monopoly on sale and distribution of Land Book and Cadastre data. All users should now be able to access both registers directly. Except for that it is difficult to see any obvious reason to change the way Land Administration is organised today.

The operation of the Norwegian Land Registration System is supervised and carried out by institutions from three different Ministries, as showed in Figure 1 (see following page):

**Figure 1**



<b>Statens Kartverk</b>	The central Cadastre database, GAB System, management and administrative operation
<b>Local Courts</b>	Land Book registration
<b>RIFT</b>	Local registration system responsibility
<b>Norsk Eiendomsinformasjon AS</b>	System and operational responsibility for the Land Book and the Land Information System, EDR
	Technical operation of the Cadastre, GAB
	Wholesale and distribution network for EDR
<b>Municipalities</b>	Cadastral surveying and Cadastre registration

#### 4.1 Ministry of Justice

The Ministry of Justice is the administrative body responsible for the management of the entire Land Book system, while the 87 local Courts are responsible for the legal registration and updating of the database.

The Norwegian State Court IT-Service, RIFT, is responsible for the local Land Book registering system used at the Local Courts, and for its operation.

Norsk Eiendomsinformasjon AS, NE, is a private sector company, owned entirely by the Norwegian State through the Ministry of Justice. According to agreements with the Ministry of Justice and the Norwegian Mapping Authority, NE has exclusive rights as a wholesaler and organiser of distribution of information from the Land Book and GAB, the alphanumeric part of the national Cadastre. This is the economic foundation of NE and the main information sources for the company. The Land Book and the Cadastre is distributed to the market through the Land Information System, EDR.

NE takes care of operation and system administration of the Land Book and technical operation of the Cadastre.

#### **4.2 *Ministry of the Environment***

The Norwegian Mapping Authority, a subordinate body to the Ministry of the Environment, is given the full responsibility for the national Cadastre, i.e. system, content and operation. Technical operation, sale and distribution have been contracted to Norsk Eiendomsinformasjon AS.

#### **4.3 *Ministry of Local Government and Regional Development***

The 435 municipalities are responsible for registering data in the Cadastre and to carry out cadastral surveying.

Alphanumeric changes are continuously reported to the national Cadastre.

The cadastral map is held by the individual municipalities either in analogue or digital form as decided locally. A national parcel map database is under implementation by the National Mapping Authority. The implementation is done in co-operation with the municipalities and will be an integrated part of the future upgraded Cadastre

Cadastral surveying is either carried out by municipal employees or contracted to private companies.

#### **4.4 *Others***

The system of private licensed notaries with a monopoly on writing legal documents concerning land, does not exist in Norway. The private individuals may write deeds or other documents for registration in the Land Book without seeking professional assistance. Deeds are however normally written by a lawyer or most frequently by a real estate agent. Almost all sales of land do involve a professional middleman, not least to ensure a safe settling of the agreement when it comes to the transfer of the money involved. Private practising lawyers are generally licensed to act as real estate agents, but most real estate agents have a specific license based on a two years education at a business school.

Mortgage documents are always set up by the financial institution providing the loan, however this is not a legal provision.

Private agreements on other types of land rights, like for the use of common roads, maintenance of adjacent fences, habitation rights, etc, are not seldom set up by the parties themselves without professional assistance, but they will however frequently seek the assistance of a lawyer.

## 5. Technical and Operational Issues

To obtain a cost efficient operation, main principles are:

- A fully computerised system
- Registration shall be done locally by Local Courts and Municipalities, but with on-line connection to central databases
- Any change of information, either in the Land Book or the Cadastre, which relates to both registers, shall only be registered once and the other register shall automatically be updated
- The Land Book and the Cadastre shall be separate, but well connected databases, operated together

The computerisation lead to a reduction in staff at the Local Courts by 25-30%. Staff reduction was obtained by recruitment stop when personnel got other jobs or reached pension age. Others were given jobs other places in the court system.

Computerisation also required use of standardised registration forms, which again standardised the registration process and increased efficiency.

To obtain user friendliness operation and high revenues:

- The two databases are linked to each other and presented to users as one system, the Land Information System, with access to data from both databases
- Norsk Eiendomsinformasjon AS has contracted distribution and sale of the Land Information System to approx. 10 competing distributors, serving 15.000 on-line users

The quality of the operations are steadily improving, but has not yet obtained satisfying speed and quality in Cadastre data registration. The two main reasons are:

- The Norwegian Mapping Authority has no authority over the Municipalities
- The Municipalities are obliged to do the registration according to the Law on Cadastre, but gets no share of the income from sale of data. The income goes to Norsk Eiendomsinformasjon AS and to cover parts of Cadastre operation costs in the Norwegian Mapping Authority.

The dataflow and databases are outlined in Figure 2 (see following page).





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