

## **METHODICAL BASIS FOR THE DEFINITION OF MARKET AND CADASTRAL VALUE OF LAND PLOTS OF SETTLEMENTS**

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Purpose of research. To show variability of using analogues of undeveloped land plots in assessing the market value of improvements often represented by capital construction objects (CCO).

To show the possible methodological error in calculation of market and (or) cadastral value of the built - up land parcels in settlements of Russia as the result of violation of the Federal law of the Russian Federation of 29.07.1998 No. 135–FZ "Concerning valuation activities in the Russian Federation", article 3. To show that in the theory and practice of cost determination of real estate objects it is necessary to distinguish formation of market value from reproducible and non-reproducible factors of the uniform real estate object.

Materials and methods. The objectives of the article are: the rules of law in valuation activities; the results of the cadastral valuation of real estate in settlements of Russia; comparative analysis of the factors determining the market and cadastral costs of properties.

Results. The article formulates methodological bases of calculation of market and cadastral value of built-up land plots of settlements as capitalized rent of non-reproducible factors of market value of a single real estate object. It is shown that in the theory and practice of market and cadastral value assessment of the built-up land parcels in settlements of Russia the article 3 of the law 135–FZ of 29.07.1998 is violated, in consequence of the fact, the market and cadastral value of capital construction is 2-5 times increased, and the market and cadastral value of land parcels is 2-10 times decreased. The result of this violation is the processes of disputing the results of cadastral evaluation of capital construction projects, the problems of all levels budgeting formation, the reduction in the rate of economic development of Russia, as well as the preservation of the corrupt climate in the field of land privatization.

The author of the article offers the technology of economic standards determination of the rational use of real estate objects on the basis of the practical application of LLC SNC "Ekoprognoz" for a cadastral assessment of the land parcel values of different land categories on the Subjects of Russia.

Conclusion. Regardless of the method (technology) of property valuation the cadastral value of built-up land in a settlement should be determined as the difference between the market value of a single property and the market value of its improvements (CCO), using as analogues the built-up land plots. That is, excluding from the value of a single property the value of improvements to the land, we get the market value of the built-up land, as a "not built-up" one clause 20, FSO No. 7.

**Key words:** land plot, pricing factors, market value, cadastral value, cost of reproduction, replacement value of the improvements, cost of demolition of improvements, profits of the entrepreneur, capitalized rent, socio-economic potential, single property object, permitted use, reproducible factor, non-reproducible factor.

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