
LAND ACQUISITION AND COMPENSATION PROCESS
THE CASE STUDY OF THE NEW MOTORWAYS IN GREECE



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1.1 COMPLULSORY EXPROPRIATION

A legal tool that allows compulsory(involuntary)deprivation of property for public utility purposes

Greek Constitution ar.17§ 2

"No one shall be deprived of his property except for public benefit which must be duly proven, when and as specified by statute and always following full compensation"

1.2 COMPLULSORY EXPROPRIATION

First Protocol to the Convention for the Protection of Human Rights and Fundamental Freedoms, ar.1 § 1:

"No one shall be deprived of his possessions except in the public interest and subject to the conditions provided for by law and by the general principles of international law."

2.1 COMPENSATION

- Compensation represents the restoration of damage to property and shall be "full".
- Full compensation represents the actual value (*vera aestimatio*) of the expropriated rather than the subjective value (*Pretium affectionis*).
- Actual value is the replacement or otherwise market value.
- Full compensation is not limited to the estimated and assigned value of the expropriated property but also to the restoration of any other damage due to expropriation.

2.2 FULL COMPETITION COMPONENTS

- Property Value (Land and attachments)
- Depreciation of the remaining part of the property
- Relocation expenses
- Judicial cost

2.3 VALUATION BASE(MARKET VALUE)

European Valuation Standard 1 (EVS-1)- TEGOVA
Basel Accord II (Directive 2006/48/EC)

«The estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm's length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without being under compulsion».

The valuation of the expropriated property is based on its highest and best possible use; this use is actually estimated on the date of valuation, offering the highest value.

3.1 VALUATION PROCESS OF EXPROPRIATED PROPERTIES

Valuation Bodies:

1) Committee of L.2882/2001 (ar.15) consisting of two officers of the Ministry of Finance and an individual expert.

2) Members of the Registry of Certified Valuers/ Ministry of Finance

3.2 LEGISLATIVE INTERVENTION FOR THE APPLYING EXTENSION OF THE NEW REGISTER

In the cases of:

- Concessions of New Motorways (L.3555/2007)
- Projects of great economic interest (L.4146/2013)
- Co-financed Projects by the Structural Funds and other EU programs (L.4146/2013)
- **The encumbrancer or the person liable to pay compensation**

Asks for a compensation report by an independent and certified valuer of the Register of Certified Valuers

4.1 THE CASE STUDY OF THE NEW MOTORWAYS IN GREECE

In 2007 5 motorways concession projects were signed:

1)Olimpia Odos(Korinthos -Patras - Pyrgos)

2)Ionia Odos(Antirio - Ioanina)

3)Central Greece Motorway (E65)

4)Aegean Motorway(Maliakos - Klidi)

5)Moreas Motorway(Korinthos - Tripoli- Kalamata and Lefktro - Sparti)

•The largest motorways construction program in Greece(1300 km)

•80.000 Affected owners of expropriated properties

4.2.1 The case study of the new motorways/ Land Acquisition process/ Key Points

On concessions contracts the initial provision for the delivery of the land needed to the concessionaire was 12 months after the commencement date of concession contracts.

The acquisition time and the needed time for the disposal of land is 22 months, with the conventional process.

Delays in expropriations resulted :

- Credit absorption weakness.
- No increase of employment.
- Delay in completion of projects and consequently in improving traffic safety and reducing accidents.
- Delay in the delivery of compensations in affected owners.
- Claiming high compensations from the project concessioners/contractors due to delays on the responsibility of the Greek State.

4.2.2 The case study of the new motorways/ Land Acquisition process/ Key Points

By L.3555 / 2007 the Body of Sworn in Valuers (SOE) was set responsible for the estimation of compensation of the expropriated properties regarding the motorways concessions projects.

Results:

- The compensation estimations were for the first time based on the European Valuation Standards and the International Valuation Standards, by a body member of TEGOVA.
- Central planning of a very large estimation project.
- Creation of a unified value data base (land, attachments, constructions).
- Significant reduction of high compensations by the court decisions (70% of court decisions were in line with the estimation of the Body of Sworn in Valuers)

4.3.1 Conclusions in the case study of the new motorways

Delays in expropriations caused by :

- Poor design of expropriation process (the delivery of the land needed to the concessionaire was 12 months from the commencement date of concession contracts).
- Multiple modifications of the initial object, as a result of the Lack of a final motorway construction study.
- No activation of the ar. 7^A, του L.2882/2001 (Olympic Games urgent process).

4.3.2 Conclusions in the case study of the new motorways

Improvement of the legal framework of the compensations process:

- The expansion of the application of the European Valuation Standards and the International Valuation Standards, in the compensation process (Concessions of New Motorways, co-financed projects and Projects of great economic interest) .

- The legislation of special justification by the judge, specially in case of any divergence from the certified valuers proposal (N.4146/2013) .

4.4 Proposals for improving the land acquisition and disposal process

- Better planning of the expropriations.
- Legislative action to establish non-judicial/volunteer procedures of land acquisition.
- Better coordination of all services involved.
- Creation of a geospatial data base presenting the estimated compensations of expropriated property and the final compensations of the court decisions.

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