

The cadastral value is the criterion used for purposes of taxation, establishing the amount of rent payments and determining the redemption value of real estate property, so it is obvious that the amount of cadastral value is of the essence for business participants.

Contesting the cadastral value is a real opportunity to save significant money by initiating the procedure for establishing the cadastral value of a real estate property in the amount of its market value. Practice has shown that the amount of the cadastral value can be reduced by over 50%, meaning consistent tax savings for several years.

Capital Legal Services provides full-service legal support to owners of land parcels and other real estate in disputes with the state authorities, including on issues of contesting the cadastral value – both the procedure for its mandatory administrative contesting and subsequent appeal in court for the purposes of establishing the land cadastral value in the amount of its market value.

### SERVICES ON CONTESTING THE CADASTRAL VALUE

- Legal analysis of the grounds for contesting the results of state cadastral valuation of a real estate property for purposes of assessing the expediency of such contesting, in particular, the arrangement of express market appraisal of the property;
- Preparing the respective application and submitting it to the commission for examining disputes on the results of establishing the cadastral value under the Directorate of Rosreestr (Federal Service for State Registration, Cadastre and Cartography) of the relevant region of the Russian Federation, including collecting the necessary associated documents;
- Cooperating with the appraisers evaluating the market cost of a real estate property;
- Participating in the meetings of the administrative commission, cooperating with the authorities;
- If contesting in court is needed – developing the legal position, considering the individual peculiarities of the case;
- Preparing claims against Federal State Budgetary Institution “Federal Cadastral Chamber of the Federal Service for State Registration, Cadastre and Cartography” in the respective region of the Russian Federation and submitting it to the court with the request to establish the cadastral value of the property in the amount of the market value / claim on admitting the decision of administrative commission unlawful and groundless;
- Preparing necessary procedural documents and submitting them to the court;
- Representing the Client in courts of all instances;
- Preparing the appeal, cassation and supervisory claims (if needed);
- Supporting execution of the positive decision of the administrative commission and court decision;
- Prompt advising on all issues within the procedure of contesting the cadastral value.

## **MARKET EXPRESS APPRAISAL: DETERMINING CHANCES OF SUCCESS IN A DISPUTE**

Capital Legal Services uses a full-service approach when providing support for such categories of cases and collaborates with a reliable appraisal company with specialists possessing the respective experience in promptly preparing qualified reports on the market value of real estate for purposes of adjusting the cadastral value, which will definitely be confirmed by a positive expert report.

For assessing the actual chances of decreasing the cadastral value of any property and the expedience of the respective expenses related to the procedure of contesting, we propose to first conduct an express appraisal, including the following:

- Market express appraisal of the respective real estate property conducted by our colleagues from an appraisal company;
- Preliminary examination of cadastral and technical documentation for the real estate property for purposes of revealing any risks related to discrepancies between actual use of the property with the information entered in the Unified State Register of Rights to Real Estate (EGRP) and the State Real Estate Cadastre (GKN), as well as to analyze possible causes for the overstated cadastral value and options for eliminating them.

## **ADDRESSING THE PRE-TRIAL COMMISSION: PLATFORM FOR OPEN DIALOGUE WITH THE AUTHORITIES**

Addressing the administrative commission is a mandatory step in resolving the dispute and is allowed up to the time of a new cadastral valuation, but no later than five years from the date the results on establishing the cadastral value in the respective region of the Russian Federation are entered into the GKN. However, considering that the new cadastral value established by the commission or court applies only from January 01 of the calendar year in which the respective application on its revising was submitted, we recommend checking its amount immediately after the state cadastral valuation in order to initiate the contesting procedure as soon as possible if needed.

We are ready to arrange participation of our associates, as well as colleagues from the appraisal company, in the meetings of the administrative commission, where it is possible to discuss the causes of discrepancies between the cadastral and market values of the property, as well as to understand the method of calculating the cadastral value used by the appraisers that conducted the state cadastral valuation.

## **APPLYING TO COURT: ADDITIONAL GUARANTEE OF RIGHTS FOR REAL ESTATE OWNERS**

Contesting the cadastral value in a court is not the main guarantee for protecting the rights of the real estate owners, but an additional one. We provide our Clients the full complex of services on supporting the court dispute, taking into account that according to the effective rules it is possible to apply to the court as follows:

- With a claim on contesting the decision of the administrative commission;
- With a claim on contesting the determined cadastral value, if the administrative commission declined the application for revising the cadastral value or has not examined it within the established timeframes.

In order to have the commission's decision be deemed unlawful and for purposes of a decision on establishing the cadastral value in the amount of its market value, our specialists will develop a legal position that takes into account the peculiarities of each case, prepare necessary documents and provide full effective support of such dispute in courts of all instances.