

UNITED NATIONS CONCILIATION COMMISSION  
FOR PALESTINESUPPLEMENT TO THE INTERIM REPORT OF THE COMMISSION'S  
LAND EXPERT ON THE IDENTIFICATION AND VALUATION OF  
ARAB REFUGEE IMMOVABLE PROPERTY HOLDINGS IN ISRAEL

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- B Revised Schedule of Capital Values for Arab-owned land and buildings in Rural Areas.

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I INTRODUCTION

1. In the Interim Report of the Commission's Land Expert dated 15 September 1961 (A/AC.25/W 63) the work of the Technical Office was described. The identification project together with the first part of the valuation work was dealt with in detail. The report explained the various methods of valuation adopted to arrive at an estimate of the over-all value of all Arab property in that part of Palestine which now forms the State of Israel. It also described the methods and techniques adopted by the Technical Office to estimate the value of property which belonged to Arabs who remained in Israel and concluded with an estimate of the value of the property of Arab refugees from Israel. Finally, the report contained as appendices the statistical data on which the estimates of value had been based, and tables of the resulting values in each sub-district.
2. The present report forms a supplement and should be read in conjunction with the Interim Report.
3. Section II of this Supplement covers that stage of work in which the valuation data obtained previously has been applied so as to ascribe a property value to each individual parcel owned and then, by totalling the value of all such parcels, to obtain a figure representing the estimated over-all value of all immovable property in Israel owned by Arab individuals as of 29 November 1947. This valuation work has now been completed insofar as practical.
4. During the course of this work an endeavour has been made to examine each individual parcel in relationship to other parcels and, when considered necessary, to vary the valuation data to reflect the greater or lesser value each parcel was considered to have in comparison with other parcels in the same general locality.
5. As might be expected, the sum of the values of the individual parcels differs from the over-all estimate furnished in the Interim Report (A/AC.25/W 83). This difference is accounted for by the variation in values referred to in paragraph 4. As will be seen the difference involves an increase in the over-all estimate of approximately 1.75%.
6. Section III of the supplement concerns further work which the Commission had under consideration when it issued its Nineteenth Progress Report. (A/4921, paragraph 13). Immediately following the adoption by the General Assembly on 20 December 1961 of resolution 1725 (XVI), of which paragraph 1 (b) requested the Commission to intensify its work on the identification and evaluation of Arab refugee immovable properties, the Commission authorized an additional stage of work namely, the preparation of

an index of owners' names. the calculation of each owner's share in jointly owned properties and the aggregation of each owner's total immovable property holdings. Section III explains the details and the progress of this work which has proceeded simultaneously with the valuation work. It was impractical to try to complete this work by 1 September 1962. The planning schedule calls for its completion in the first quarter of 1963, but owing to difficulties experienced during the course of the work it is anticipated that completion may be delayed.

7. Section IV sets forth the conclusions of the Technical Office on the capital value on 29 November 1947 of the immovable property in Israel of all Arab individual owners and on the estimated value of that part thereof belonging to Arab Refugees.

8. To summarize the results of the valuation work, the figures are as follows:

(a)	Value on 29 November 1947 of Arab immovable property In Israel	LP 235,660,190
(b)	Estimated value on 29 November 1947 of immovable property of Arab Refugees	LP 204.660,190

## II VALUATION

For convenience this report is, as in the Interim Report, divided into:

- A. Urban lands
- B. Rural Lands

### A. Urban lands

10. Since for the purposes of the interim Report the method adopted for estimating the over-all value of land and buildings in Urban areas comprised a separate calculation for each parcel or group of parcels, very little additional valuation has been necessary to ascribe a value to each individual parcel.
11. Nevertheless, in the case of vacant sites the opportunity has been taken to examine each parcel in detail with particular regard to its precise locality and in so far as possible its physical characteristics.
12. Every available relevant sale price has been considered in arriving at the level of market value in any particular area. The application of this market value level to any particular parcel may give a higher or lower value than an actual sale price on that parcel. This apparent anomaly results from the influence of the other relevant sale prices in the area which were also the basis for fixing the particular market value level concerned.
13. With regard to Ramle and Beersheba Urban areas it has not been possible to ascribe a value to individual parcels since identification is so far incomplete as respects the data from which valuation can be made.
14. Appendix A sets out the values of vacant sites and buildings in each urban area and may be compared to Appendix B/1 of the Interim Report.

### B. Rural lands

15. It will be recalled that for the purposes of the Interim Report the basis of differentiation between one parcel of land and another was the tax category assigned to it by the Mandatory authority.
16. It was assumed that all land having the same tax category within a village would have the same value subject only to variation due to its location in different topographic soil and rainfall zones.
17. The valuation data was obtained by taking an average price per dunum as indicated by all the sales which took place in the years 1946 and 1947 within a given village, area. The weakness in this method is that it does not take into account the effect of uneven distribution of the land sold, e.g. if all the land sold in any village were in a "high" value, area, the result applied as an average to all the land in the village would result in over-valuation and vice versa. While for the purposes of the Interim Report the method could fairly be described as giving reasonably accurate estimates over-all, it does not do so when each individual parcel is considered separately.
18. Consequently, when the valuation of individual parcels was commenced, each village was re-examined in considerable detail, and the following procedure adopted.
19. In the case of "settler" villages, each parcel, and in the case of "non-settled" villages each block and, when possible, locality within the block was considered with the aid of large scale plans and smaller scale topographical maps in relation to its location, aspect, proximity to built-on-area, etc., in addition to the broad classification by tax category. Thus, in the absence of physical inspection, all the factors which might have affected value have so far as possible been taken into account.
20. The sale prices were also re-examined with particular regard to the location of the lands sold, and where it was considered necessary, the previously found averages were adjusted to conform with a more equitable pattern.
21. Each parcel or group of parcels was given a value per dunum varying up or down from the average in accordance with the physical characteristics referred to in paragraph 19 above.
22. Finally, the value per dunum was applied to the area of each parcel and the value thus deduced.
23. The same detailed study was made for land in garden and urban fringe areas but, as might be expected, since these had already been examined as small units, less adjustment was found to be necessary. However, it has not been found possible to ascribe garden or urban fringe area values to individual parcels of land in some non-settled villages where the Identity of parcels constituting those areas could not be determined, with any degree of accuracy. Consequently, all the parcels in the

particular village concerned were valued ignoring those "excess" values, and this excess 'value was left as an undistributed lump sum and added to the total of individual parcel values at the end of the valuation process, to be apportioned at a later date should it be possible to ascertain the precise location of parcels within blocks.

24. In the case of villages where the sales data was scanty or lacking altogether, the same methods as adopted for the purposes of the Interim Report were used with the addition of the more detailed study of the physical characteristics of each parcel.

25. It is considered that by this technique everything possible short of physical inspection has been done to take into account the various factors which would affect the value in the open market of any particular parcel of land.

26. In regard to the non-settled border villages where the location of the parcels falling in the blocks cut by the armistice Line has not yet been determined with regard to that line, the procedure adopted was to include the value of every parcel in such block and then make a note of the "excess value" in that block attributable to the area falling outside Israel. This "excess value" is then deducted from the total of the parcel valuation for the village to give a corrected net estimate of the value of that portion .of the village falling on the Israeli-held side of the Armistice Line.

#### Built-on-areas

27. As stated in the Interim Report these areas present special difficulties and no further information has come to light to enable a more detailed valuation to be made.

28. However, detailed studies "of the problem have continued and in consequence a somewhat higher value has been attributed to buildings than before. Nevertheless, it has not been found possible to apply a value in respect of buildings to individual parcels of land, since there is no means of knowing which parcel of land contains a building and which does not.

29. Consequently, each parcel of land in the built-on-area has been given a value as though it were bare land, leaving the calculated sum in respect of buildings to be apportioned at a later date, when it may be possible to ascertain the presence or otherwise of a building on the land.

30. In the case of industrial buildings when the Net Annual Value is in excess of L.P. 20, the value of the building has been included in the value of the parcel.

31. Appendix B sets out the total values of rural property in each sub-district and may be compared with Appendix B/2 of the Interim Report.

#### III INDEX OF OWNERS

32. It will be apparent from a study of Section III "Identification" of the Interim Report that the identification work has been based on the situation of the land by block and parcel numbers and the owner's name related thereto. Consequently, it has proved very difficult to ascertain the property of a particular owner when the block and parcel number are unknown.

33. In order to overcome this difficulty the Commission on 22 December 1961 authorized the Office to compile an index of owners which will enable the property holding of any particular owner to be readily ascertained.

34. The opportunity has been taken to calculate the share value of each part-owner when there was more than one.

35. With this information it has been possible to include in the index of owners the aggregate value of each individual's total property holdings and the pertinent details of the parcels in which he has an interest. At present, an index is being made for each village and urban area separately but no attempt has been made to establish a wider index to cover ownership in more than one village or urban area. The effect of this is to increase the apparent number of owners, owing to the duplication of names in those cases where an individual owns land in more than one village or urban area. The disadvantage is statistical and does not detract from the value of the index since the owner will most likely know the general locality of his property even though he may not know its full block and parcel number.

36. The compilation of these indexes of names which have been transliterated from the Arabic into English has been found to present special problems. The Mandatory records on which the identification is based did not follow throughout any one transliteration system so that any Arabic name may be found written in English in more ways than one. Moreover, the full name of an Arab individual properly written should show the name of his father, grand-father and great-grandfather or family name, in that order. Quite often one or more of these names are omitted. As a result considerable delay and difficulty are being experienced in sorting out the names in alphabetical order and in identifying the same individual. Thus, progress in this operation has fallen below expectation.

37. When completed for a village or town the index for that village or town will comprise a number of cards, one for each individual, showing:

- a. His (or her) name,
- b. The block and parcel number and parcel area of property in which that individual has an interest,
- c. The nature and extent (as to shares) of each of those interests,
- d. The value attributable to the whole of each parcel and to each interest,
- e. The aggregate value of all the interests shown on the card.

38. It will also be possible to provide information as to the number of owners in any village or urban area and the extent to which each owner will benefit from compensation based on the value of property in

that village or urban area.

#### IV CONCLUSIONS

39. On the basis of the techniques of identification and valuation described in the Interim Report and this 'Supplement the Office considers that the figures set out below represent the Capital Value, on 29 November 1947, of the immovable property in Israel of all Arab individual owners. The figures are the sums of the value of each individual parcel.

Urban Areas	LP	68,265,117
Rural Areas	LP	152,395,073
Beersheba Sub-district	LP	15,000,000
Total		235,660,190

This sum of LP 235,660,190 is to be compared with the figure of LP 231,600,000 contained in paragraph 89 of the Interim Report. It shows an increase of 1.75% for reasons explained in paragraphs 4 and 5 of this report.

40. In its concluding Section V the Interim Report describes the method used to estimate the value of Arab immovable property in Israel which was not abandoned by its owners or which was owned by Arabs who did not become refugees from the territory now controlled by Israel.

41. Further studies have been made on this problem and additional material examined. In particular, lists of the numbers of Arab refugees registered as originating from all Arab towns and villages became available.

42. For the purpose of these studies the natural rate of increase was taken as 35 per 1,000 per annum or an increase of 65% for the period 1945 - 1961 excluding the year 1948/1949 when no natural increase is assumed to have taken place.

43. Using this percentage increase, it is possible to reduce the number of actual registered refugees in 1961 to the theoretical number in 1945.

44. By comparing this theoretical number of refugees with the actual population as shown in the "Village Statistics"\* it is possible to estimate the percentage of abandonment which is assumed to have taken place.

45. Where the theoretical number of refugees is equal to or greater than the population, it is reasonable to assume that total abandonment took place. Where the number is less than the population figure the degree of abandonment is assumed to be in direct proportion.

46. The degree of abandonment established by this method is then applied to the total value of the respective villages and the resulting figure gives the value attributable to refugee property.

47. By the use of this method the value of non-abandoned Arab property in Israel has been calculated at LP 31,000,000. This figure cannot be compared with the LP 34,900,000 referred to in paragraph 98 of the Interim Report since the opportunity has been taken to use revised valuation figures as a result of the year's activities.

48. For the purpose of arriving at an estimate of the over-all value of refugee property, the sum of LP 31,000,000 has been deducted from the total value of Arab immovable property in Israel.

49. The final calculations are therefore as follows.

I	Total value on 29 November 1947 of Arab immovable property	LP	235,660,190
II	Less estimated value on 29 November 1947 of immovable property owned by Arabs residing in Israel	LP	31,000,000
III	Estimated value on 29 November 1947 of Arab Refugee immovable property	LP	204,660,190

\* "Village Statistics 1945" published by British Mandatory Administration.

#### APPENDIX A

##### REVISED SCHEDULE OF VALUES FOR ARAB OWNED LAND AND BUILDINGS IN URBAN AREAS

TOWN	Vacant Sites (LP)	Buildings (LP)	Total (LP)

ACRE	423,542	919,385	1,342,927
'AFULA	984	-	984
BAT YAM	1,683	-	1,683
BEISAN	53,691	457,186	510,877
HAIFA	4,311,086	10,467,644	14,778,730
HOLON	123,441	890	124,331
JAFFA	7,559,740	14,094,203	21,653,943
JERUSALEM	6,371,160	12,062,701	18,433,861
LYDDA	438,690	1,403,399	1,842,089
MAJDAL	94,960	728,976	823,936
NATANYA	36,497	-	36,497
NAZARETH	219,907	1,412,635	1,632,542
RAMAT GAN	71,447	-	71,447
SAFAD	157,354	840,675	998,029
SHAFA 'AMR	52,814	284,330	337,144
TEL AVIV	2,366,740	134,020	2,500,760
TIBERIAS	201,253	524,084	725,337
	22,484,989	43,330,128	65,815,117
Add allowances for: *			
(i) BEERSHEBA			<b>600,000</b>
(ii) RAMLE			1,850,000
			LP 68,265,117

\* See Interim Report, paragraphs 52 and 53

#### APPENDIX B

#### REVISED SCHEDULE OF CAPITAL VALUES FOR ARAB-OWNED LAND AND BUILDINGS IN RURAL AREAS

##### SUB-DISTRICT

ACRE	15,051,225
Beisan	3,468,034
GAZA	19,579,534
HAIFA	11,757,629
HEBRON	12,443,989
JAFFA	23,560,057
JILNIN	4,357,696
JERUSALEM	10,598,408
NABLUS	540,660
NAZARETH	5,595,879
RAMALLAH	135,150
RAMLE	22,190,429
SAFAD	7,323,092
TIBERIAS	3,805,192
TULKARM	11,987,299
	152,395,073

Add allowance for BEERSHBA*	15,000,000
	LP167,395,073

\* See Interin Report paragraph 84-88