

Document symbol: A/AC.25/W.84

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UNITED NATIONS
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GAILLARD

Distr.
GENERAL

A/AC.25/W.84
28 April 1964

ORIGINAL: ENGLISH

UNITED NATIONS CONCILIATION COMMISSION FOR PALESTINE

WORKING PAPER PREPARED BY THE COMMISSION'S LAND EXPERT
ON THE METHODS AND TECHNIQUES OF IDENTIFICATION AND
VALUATION OF ARAB REFUGEE IMMOVABLE PROPERTY HOLDINGS
IN ISRAEL

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- B. Schedule of Tax Categories under the Rural Property Tax Ordinance, 1942.
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1. In its resolution 394 (V) adopted by the General Assembly on 14 December 1950, the United Nations Conciliation for Palestine was directed inter alia to "make such arrangements as it may consider necessary for the assessment and payment of compensation in pursuance of paragraph 11 of General Assembly resolution 194 (111)."

The Commission, following the reaffirmation by the delegation of Israel at the Paris Conference on 14 November 1951, that Israel was ready to contribute to the settlement of the question of compensation for Arab property abandoned in its territory, instructed its Land Specialist to undertake discussions on a technical level ¹. On the conclusion of these discussions the Commission decided that the work of assessing potential claims to compensation should be started without delay ². Accordingly, it requested the Secretary-General to set up a special staff to undertake first the identification and then the valuation of Arab immovable property holdings in Israel for which compensation might be claimed. Under the direction of Land Experts the Commission's Office for Identification and Valuation has carried on the project both at Headquarters in New York and in Jerusalem. The bulk of the identification work was done in Jerusalem from which city it was possible to obtain access to the various necessary records. The valuation work has been largely carried out with a smaller specialist staff at New York.

2. The purpose of identification was to bring into existence a compact record of individual Arab land holdings in Israel which could be used as a basis for verifying individual claims to ownership. The identification was to describe the ownership, interest in, and nature of, each holding as at the date of the termination of the British Mandate, namely, 15 May 1948.

3. Valuation is a natural corollary of identification without which the project would be incomplete. The values to be ascertained were the market values of the various holdings at the date of the adoption by the General Assembly of the Partition Plan, namely, 29 November 1947.

4. The following paragraphs explain in detail the methods adopted to achieve the identification and the techniques of the valuation work.

1. U.N.C.C.P. 11th Progress Report A/2121 - 2 May 1952

2. U.N.C.C.P. 12th Progress Report A/2216 - 8 October 1952

5. In this report the words and terms set out hereunder are used in the sense indicated unless the context otherwise requires.

Commission	The United Nations Conciliation Commission for Palestine.
Office	The Commission's Office for the Identification and Valuation of Arab Refugee Immovable Property in Israel.
Land	The word "land" includes, where the context so requires, any buildings, trees or other fixtures thereto.
Immoveable Property	Land as defined above.
Villages	The administrative entities so listed in the Administrative Divisions (Amendment) Proclamation 1947 and to which either the Rural Property Tax Ordinance or the Tithe (Commutation) Ordinance applied.
Urban Areas	The administrative entities so listed in the Administrative Divisions (Amendment) Proclamation 1947 Ordinance.
Value	Except where the context otherwise requires, the sum of money in Palestine Pounds (LP) which a property might be expected to realize in a sale in the open market on 29 November 1947, at which date the Palestine Pound was equivalent to the Pound Sterling.
Net Annual Value (N.A.V.)	Has the meaning ascribed to it in the Urban Property Tax Ordinance (see paragraph 30). Note: In addition to properties in Urban areas which all had a N.A.V. ascribed to them certain industrial properties in the village areas also had a N.A.V. ascribed to them when such N.A.V. was LP 20 or more.
Tax Category	The numerical category as defined in the Rural Property Tax Ordinance (See Appendix C).
Settled Land	Land to which title has been settled under the Land (Settlement of Title) Ordinance, and other land in parts of Beisan, Tiberias and Jenin Sub-districts) in which the title to ownership has been settled under the Ghor Mudawwara Agreement. The word "settled" has nothing to do with physical occupation. Land settlement was an operation undertaken by the Mandatory Administration for the purpose of regularizing land tenure in Palestine. The exact

boundaries of parcels were set down on plans and details of ownership, etc. recorded.

Non-settled Land	Land which is not "settled" land.
Rural Property Tax Ordinance	The Ordinance which prescribed a taxation system for all property in rural areas. At the termination of the Mandate the ordinance had not been applied to the Beersheba Sub-district.
Urban Property Tax Ordinance	The ordinance which prescribed a taxation system for all property in urban areas
Tithe (Commutation) Ordinance	The ordinance which provided for the payment of a fixed cash contribution in lieu of the old system of payment of tithes by reference to the annual yield of the land. It was applicable only to the Beersheba Sub-district.
Built-on-Area	That built on portion of a village which is classified under Tax Category 4 and comprises one or more Fiscal or Registration Blocks (q.v.)
Parcel	An area of land forming the smallest unit capable of separate identification.
Urban Assessment Block	An Area of land in a "non-settled" urban area.
Fiscal Block	An area of "non-settled" land comprising one or more parcels.
Registration Blocks	An area of "settled" land comprising one or more parcels. Note: Fiscal and registration blocks are not co-extensive.
Armistice Line	The demarcation line as defined by the Armistice Agreements.
Demilitarized Zones	Areas so designated by the Armistice Agreements.
No Man's Land	Areas between the demarcation lines
Dunam	Unit of land measurement comprising 1,000 square metres.
Plantation	Land planted with fruit trees other than citrus and bananas.
Register of Deeds	The Register recording details of transactions in "non-settled" land which include date of transaction, description of property, its boundaries and area, the names of vendor and purchaser, the share sold and the consideration and encumbrances, if any. The Register was also used for recording details of ownership, etc. but was not of itself absolute proof of title. It also included lands, title to which was "settled" under the Chon Mudawwana Agreement

Register of Title	The Register recording title to about 5,000,000 dunums of lands settled under the Land (Settlement of Title) Ordinance which included the block and parcel number of the property concerned, the names of the owners and their shares, the area and description, and a note of any encumbrances. A separate folio was prepared for each parcel. The register also included the date of registration and the date of any transaction but not the consideration.
Schedule of Rights	The document published under the Land (Settlement of Title) Ordinance on which the Registers of Title were based.
Field Valuation Sheet	The working sheet of the taxation authority in urban areas which included the block and parcel number of the property, the owner or reputed owner, a description of the property whether land or building and, if the latter, a brief description of its nature. The sheet also showed the area, and the values attributed to land and/or buildings in terms of gross and net annual value and date of valuation. It may be noted that the owner's name was included only to facilitate the collection of the tax and it was not uncommon for the names of one or more shareholders to be omitted. Encumbrances (e.g. Mortgage) are not shown.
Valuation List	The statutory document based on the Field Valuation Sheets
Tax Distribution List (for "non-settled" land)	The list prepared by Tax Distribution Committees for rural properties in "non-settled" areas which includes the block and parcel numbers, the reputed owner or owners and their shares, the area, tax category and the amount of tax levied on each parcel.
Tax Payers' Register	A summary of the Tax Distribution List.
Parcel Classification Schedule	The document setting out the tax category in "settled" rural areas for each parcel together with its area and description.
Land Registrars Return of Dispositions	The report prepared weekly by Land Registrars, giving details of <u>all</u> transactions registered by them.
Village Maps	A map showing the boundary of the village, the fiscal block division, and also registration block divisions if any part

of the village was "settled", and the nature of the terrain; another map showed registration block divisions and the boundaries of each parcel; a third map merely indicated registration block divisions.

Block Plans

A plan showing the boundaries of each parcel in a registration block.

Date

For the purpose of identification and establishment of basic factual information the operative date was 15th of May 1948 (Factual Date). for the purpose of valuation, these facts were assumed to be in existence on 29 November 1947 at which date an opinion of value was required (Valuation Date).

III. IDENTIFICATION

6. The territory held by Israel under the Armistice Agreements comprises some twenty million dunums about half of which constitutes what is commonly known as the "Negev." Again about half of the ten million dunums of the land outside the "Negev" was "settled" under the Land (Settlement of Titles) Ordinance. Essentially the identification consists of preparing for each parcel owned by Arabs, including partnerships, companies and cooperative societies a basic form (RP/1) giving, as at the termination of the British Mandate, the location, area, description, name of owners and their shares, particulars of encumbrances (e.g. mortgages, leases), taxation category or N.A.V. whichever is applicable, and the consideration recorded in any sale which took place in 1946 - 47. In addition record forms have also been prepared for the following classes of land. In each case the form makes the exact status clear:

- i. Land owned by religious bodies.
- ii. Land recorded as State Domain but which was subject to transfer to Arabs on payment by them of the unimproved value of the land (badl mithl).
- iii. Land recorded as State Domain but which had been occupied by Arabs for many years and which was regarded by the Mandatory Government as let to the occupiers under implied leases.
- iv. Land recorded as State Domain but which was let to Arabs under long term leases.
- v. Land owned by non-Arabs but which was let to Arabs under long term leases.

7. The identification was extended to cover the "no man's land" in the Jerusalem - Ramle area and the "demilitarized zones" in the northern region and Beersheba Sub-district. In the case of "settled" villages cut by the Armistice line it was possible to ensure that only those parcels falling wholly or partly on the Israel side of the line were included. In the "non-settled" villages where the exact location of the parcel is not known, all Arab owned parcels in the fiscal blocks cut by the line were included, even though some of them fall on the Jordanian side of the line.

8. The principle observed by the Office throughout the identification project has been to include rather than exclude doubtful cases on the grounds that it would be comparatively easy to exclude such cases at a later stage.

9. The total number of basic forms (RP/1) is approximately 453,000. The total number of fiscal blocks is 1,705 and of registration blocks 8,619 making a total of 10,324 blocks outside of the rural area of Beersheba Sub-district.* The Office has specifically avoided hearsay evidence or information which is unsupported by documentary evidence from official sources.

10. The various documents consulted are set out below and a description of each is included in the Definition section of this paper. In the case of the Registers of Title photographic copies prepared on microfilm by the Mandatory Administration were used. When the film was illegible or non-existent and in the case of other documents, the originals were examined with the cooperation of the authorities concerned in Gaza, Israel, Jordan and Syria..

- a. Registers of Title
- b. Registers of Deeds
- c. Tax Distribution Lists
- d. Field Valuation Sheets
- e. Schedule of Rights
- f. Parcel Classification Schedules
- g. Land Registrar's Returns of Dispositions
- h. Village Maps and Block Plans

11. The following table indicate the information extracted for each parcel and the sources from which it was obtained. The reference letters refer to the different documents listed above.

* See paragraph 15

<u>Item</u>	<u>"Settled" Land</u>	<u>"Non-settled" (Rural)</u>	<u>"Non-settled" (Urban)</u>	<u>Beersheba (Rural)</u>
1. Location	a, b, c	e	b, d	b
2. Area	a, b, d, e	e	b, d, h	b
3. Description	a, b, d, e, f	-	b, d	b
4. Names of owners	a, b, d, e	c	b, d	b
5. Shares	a, b, d, c	c	b, d	b
6. Rural Property Tax Category	c, f	c	-	-
7. Urban Property Tax Assessment	d	-	d	-
8. Encumbrances	a, b, e	-	b	b
9. Sale Particulars	g	g	g	b

12. It will be noted that in the case of "settled" land the essential data for identification is obtained from the Registers of Title. As these Registers provide absolute proof of title, the identification may be said to be positive and definite. As the photographs were made some months before the termination of the Mandate, it was necessary to incorporate in the basic form (RP/1) all the transactions registered subsequently by reference to the Registrars' Returns of Dispositions.

SPECIAL PROBLEMS

13. In the case of "non-settled" land both in the urban and rural areas the identification based on the Field Valuation Sheets, Tax Distribution Lists and Registers of Deeds is not so definitive. The names recorded in these documents are the reputed owners or the persons responsible for paying the tax. While in the majority of cases the name is most likely to be correct, the documents themselves do not constitute absolute proof of title. Further, the tax documents do not necessarily show all the share holders in any particular property as the tax authorities were only concerned to indicate any one share holder who they then held responsible for the tax.

14. A deficiency in the identification project occurs in the case of certain areas of land in "non-settled villages. In the case of these areas as indicated in paragraph 12 above the names of owners have been obtained from Tax Distribution Lists, the compilation of which was the responsibility of Village Tax Distribution

Committee. The duty of the Committee was to apportion the total amount of tax payable by the village, assessed by the Government officials on the basis of the various tax categories, to the different individual owners according to the category of the land owned. No special problem was involved in the case of parcels in categories 1 - 15. However, uncultivable and some marginal land in rural areas were placed in Category 16 under the Rural Property Tax Ordinance, and because such land was not liable to tax, the Tax Distribution Committee did not always make a distinction in their records of "non-settled" villages between land of that kind which was used in common by all the inhabitants of the village and that which was privately owned. In the "non-settled" villages the Office was obliged to use the taxation records as the basis of its identification and was therefore unable to make this distinction. Accordingly, such land has been excluded as not being privately owned. Some 460,000 dunums are affected by this difficulty.

15. The Beersheba Sub-district contained about twelve and one half million dunums, most of which was desert, and none of which was "settled" under the Land (Settlement of Title) Ordinance. In the "Village Statistics 1945" published by the Mandatory Administration the figure of 1,935,000 dunums was included as Arab owned cultivable land, some 60,000 dunums of which are now in Jordan and the Gaza Strip, leaving approximately 1,875,000 dunums in Israel. In this Sub-district rural land taxation rested on a system of commuted tithes. The tithes records which might have formed the basis of identification have not been found. The Registers of Deeds were examined and registration therein was found to account for only 200,000 dunums of which about 64,000 dunums were registered in the names of Arabs. Basic forms (RP/1) have been prepared so far only for Arab owned lands included in the Register of Deeds. The information is confined to the name of the locality in which the property was situated and the boundaries of each ownership are roughly defined by physical description. It seems reasonable to suggest that any non-Bedouin acquiring land in the Beersheba Sub-district, would have taken steps to register it in order to be in a better position to resist encroachments upon it. If this is so the remainder of the 1,935,000 dunums of cultivable land may be regarded as having been cultivated by the Bedouin. No precise information has yet been obtained concerning the areas which may be owned by either individual Bedouin or by the Bedouin tribes though the areas in which the various tribes were found

supplementary document showing the breakdown of these areas by villages, urban areas, and also the areas in non-Arab ownership is available in the Commission's files.

18. The basic forms (RP/1) are filed in the records of the office under the name of the town or village in which the parcel they represent is situated. For the purpose of ensuring that the process of identification is complete, lists (RP/3) were prepared for land owned by the State, other public authorities, Jews and other non-Arab individuals showing the area so owned. This area, added to that owned by Arabs was compared with official records of the extent of the land in each urban area and village.

IV. ANALYSIS AND TECHNIQUES OF VALUATION

Principles adopted

19. In accordance with the broad terms of reference the office has conducted its work with the object of ascribing to each parcel of Arab owned land a value equivalent to the price which might have been realized on a sale of the parcel in the open market on 29 November 1947.

20. The valuation project of which a detailed description is set out in subsequent paragraphs, differs from the valuation carried out by the Commission's Refugee Office in 1951 in its nature and the method of approach. Whereas the latter valuation was a broad estimate of overall value based on knowledge of the existing use of broad categories of land, the work described below led, in terms of a consistent overall method, to an opinion of value of each individual parcel having regard to its individual market value at 29 November 1947.

21. It will be clear from the above that valuation methods have been based on the prior work of identification. It should be noted that the valuation techniques developed are also relative to conditions pertaining in 1947/48 and any result in the form of valuation figures would represent, in the opinion of the Land Expert, the value of the property as it existed at that time.

are indicated by the tribal name on most contemporary maps of the territory.

The area of Arab owned land in the Beersheba Sub-district is as follows:

		<u>Dunums</u>
Cultivable land	Non-Bedouin	64,000
	Bedouin	1,811,000
Uncultivable land		<u>10,570,000</u>
Total Area		12,445,000

16. In the case of the following urban areas and villages the identification is incomplete for the reasons stated:

Ramle Urban Area

The identification is complete in the case of seven "settled" blocks with the exception of the insertion of the N.A.V. The Field Valuation Sheets have not been found for this urban area so that it has not been possible to complete the identification for the "non-settled" blocks. However, Field Valuation Sheets dated 1940/41 have been found for eleven blocks out of twenty-one and these have been used, but owing to the date, the identification may be incorrect.

Beersheba Urban Area

The Field Valuation Sheets have not been found. A limited amount of identification has been possible by an examination of the Register of Decds, but it cannot be regarded as in any way complete.

Villages

In the case of Bureij, Deiraban, Jarash and Khirbat Ismallah, no Tax Distribution List have been found, but in the case of Deiraban about half of the identification has been completed by reference to the provisional Land Settlement records. In the case of Beit Jimal, Deir Rafat, Lifta, Suba, Dalata, Malikiya and Rosh el Ahmer the Tax Distribution Lists for one or more blocks have not been found.

17. A summary of the areas of all rural land excluding Beersheba Sub-district has been prepared and is attached as Appendix A/1 to this paper. The summary lists the areas under the various tax categories in which they are classified. A summary of the urban areas showing the N.A.V. of buildings and the area of vacant sites is also attached as Appendix A/2. The figures contained in Appendix A/1 have been adjusted to exclude the estimated areas of fiscal blocks falling on the Jordan side of the Armistice Line. A

22. In approaching the task of valuation the Office has based its work on two fundamental principles:

- a) The valuations must be consistent though this does not mean that similar types of land throughout the area will have a similar value
- b) The valuation must be based on the evidence of actual market transactions for the different types of property in the areas in which they are situated.

By the adoption of these two principles it was considered that the results obtained would be fair and reasonable.

23. In order to achieve the first principle it was necessary to find some method of establishing the similarity of the various parcels of land, both in the urban and in the rural areas, as no physical inspection was possible. In the case of the urban areas the factor common to all parcels is the New Annual Value and in the rural areas (with the exception only of the Beersheba Sub-district) the common factor is the classification into various tax categories.

24. As regards the second basic principle it is not of course possible to obtain a sufficient number of sales at or about the actual date of valuation namely, 29 November 1947, and it was decided to consider all the sales which took place in the two years prior to the valuation date. This period was selected as being a period after which the market might be presumed to have settled down following the end of World War II and before it was affected by the disturbances which took place in Palestine following the adoption of the Partition Plan. It may be noted that when it was apparent that the level in prices was changing as between the beginning and the end of the period those changes were taken into account in establishing the level of value to be adopted as representing the Market Value at 29 November 1947.

25. By law the parties to a transaction were required to appear before the Registrar of Lands. A fee based on the consideration was charged for registering the transaction. The parties were therefore required to declare to the Registrar of Lands the consideration involved. It was the duty of the Registrar to make his own assessment of what the consideration was and calculate the fee accordingly. The Registrars lived in the districts in

which they operated and dealt with a vast number of transactions and they would have a shrewd idea as to the true value of any particular property. Having regard to these factors, it is considered that the declared or assessed value (whichever is the higher) is a fair guide to value.

26. Adoption of these principles would ensure that the value ascribed to any particular holding would be its true market value in the hands of the owner and not its value to the State of Israel. On the other hand it does not necessarily represent the capital sum which would be required to produce an income on investment, equivalent to any income issuing out of such property:

Method of Valuation

27. As different criteria are involved, it will be convenient to describe the method of valuation adopted under the heads of:

- A. Urban Lands
- B. Rural Lands

A. Urban Lands

28. Urban Lands are those to which the Urban Property Tax Ordinance applied and a list of Urban areas in which Arabs owned property is attached as Appendix B/1. As stated above the criterion common to all urban properties, i.e. buildings and undeveloped land (hereafter referred to as "vacant sites"), was the Net Annual Value (N.A.V.) It is necessary to explain briefly what is meant by N.A.V.

29. Under the Urban Property Tax Ordinance the N.A.V. of any building was the rent for which such building might be expected to let from year to year after deduction of a statutory allowance for repairs. The assessment committee which was required to assess such N.A.V. was required to have regard to:

- "a) The size, materials and state of repair of the property and the amenities and value of the site;
- b) The use to which the property is put;
- c) The rent paid for, or the income produced by, similar properties in the same locality."

In the case of vacant sites, the N.A.V. was to be six percent of the sum which the land if sold in open market between a willing seller and a willing purchaser might be expected to realize. The N.A.Vs were all reassessed at

intervals of five years. Exceptions to the five year assessment rule became necessary when an individual property was altered in character e.g. a vacant site developed by the erection of a building.

30. From the above it will be observed that if the law had been strictly administered, the N.A.V. would have been a fair comparison between different properties within any one town and at a certain date. All that would have been necessary would have been to establish a suitable multiplier of the N.A.V. to obtain the capital or market value. An Examination of the sale prices in all classes of property at different levels of N.A.V. indicates that there was some under assessment measured in terms of what the N.A.Vs would have been in 1947/48.

31. In considering the valuation of urban property, a distinction was made between "vacant sites" and buildings owing to the different basis of N.A.V. This distinction was made possible by an examination of the Field Valuation Sheets.

Vacant Sites

32. In the case of vacant sites it will be recalled that the basis of N.A.V. was 6% of the capital value. Further, in any urban area the great majority of the N.A.V's will have been based on capital values fixed at the same date (the quinquennial valuation). The capital figure was normally assessed at a certain figure per square metre and then adjusted to correspond with the precise area of the particular parcel. Thus it is possible to proceed direct to a comparison of capital value per unit of area to establish the different values of vacant sites in different localities.

33. The first step was to mark on large scale plans each vacant site parcel which was Arab owned using a colour code to indicate the capital value per unit of area as assessed by the tax authorities. From these plans it was possible to obtain a picture of the relative level of values of vacant sites in the different districts of any urban area. Due regard was had during this process to any "revised" values which differed in date of assessment from the majority. These values may be called "Tax Values."

34. Next an examination of all the available sales for the urban areas concerned was made and prices reduced to a figure per square metre and these again were marked on the aforementioned large scale plans, together with the date at which the sale took place. These values may be called "Sales Values." By this procedure it was possible to ascertain the trend of value between 1 January 1946 and 29 November 1947. It was found that the trend was by no

means uniform as between different urban areas or even between different parts of the same urban area. The sale values were then adjusted where necessary to conform with the sale deemed to have taken place on 29 November 1947.

35. A comparison of Tax Values and Sale Values now established the relationship between the two and it became possible to ascribe a market value per unit of area to each parcel within the urban area. The capital values of the whole of each parcel at 29 November 1947 could then be obtained by a simple mathematical process.

36. It is emphasized that, where necessary, parts of an urban area were considered separately and due regard was had, when fixing the market values, to the level of value in adjoining parts of the area. Whereas some of the small urban areas could be dealt with as a single unit, the large towns generally split into obvious areas of different character. These areas were not delineated by any arbitrary rule in arriving at their value but were carefully calculated by the comparison of tax values and sales values as described above.

Buildings

37. As regards buildings, the parcels included under this head are all Arab-owned buildings together with the land on which they stand and the curtilage surrounding them where it is included in the same assessment.

38. In the case of buildings an entirely different approach to the problem was necessary, owing to the fact that the N.A.V. was not, by its legal definition, tied to a capital value as in the case of vacant sites. It is accepted valuation practice in calculating capital value from the annual net income to apply a suitable factor. This factor is found by estimating the interest which the market would require if the capital sums were to be invested in the property, e.g. if a 6% rate of interest were required, this figure is divided into 100 and the result 16.66 is the factor by which the annual net income is converted into capital value.

39. By definition the N.A.V. should approximate to the annual net income from any particular property, and had the assessment of N.A.V. been up to date it would have been a simple matter to estimate the different factors for different classes of property and proceed direct to capital value.

40. However, a cursory examination of sale prices as against corresponding N.A.V. indicated that the latter were in fact under-assessed and that a correspondingly higher multiplier was required to arrive at the sale price.

41. Further, the brief description of the building obtained from the Field Valuation Sheet was found to be insufficient as a guide to the relative values of different buildings.
42. For a similar reason it was found impossible to relate sale price to the description of the building e.g. number of floors, number of rooms, type of construction. No doubt such a relationship existed but the scarcity of the data precluded any reliable valuation on the basis of a description of the building.
43. On the other hand it is considered that the N.A.V. (whether it be under-assessed or not) would correctly indicate the relative similarity of holdings having a similar N.A.V. assessed at the same date.
44. The method finally adopted was a modification of the formula $N.A.V. \times$ multiplier based on an interest rate. Instead the multiplier was found directly, by dividing the sale price by the N.A.V. of the building to which the sale price referred. As a first step this division of sale price by N.A.V. was carried out for each sale price.
45. An inspection of the results of this operation for any one urban area revealed that the multiplier for any particular level of N.A.V. was remarkably similar. Accordingly it was decided to group N.A.Vs in brackets of LP 25 and to apply the same multiplier to all the N.A.Vs within that bracket.
46. It was found that the maximum under-assessment occurred in the lower brackets and that the level of this under-assessment gradually decreased with the increase in N.A.V.
47. The method adopted also has the merit that it provided automatically for differences in the years of assessment of N.A.Vs in different towns.
48. The recorded sales in respect of urban areas were many. However, a disproportionately high number were related to buildings in the lower net annual value brackets (which reflected the higher density of parcels in those brackets). In the higher N.A.V. brackets the position was not as satisfactory as could have been wished. The parcels in the top brackets were the least represented while the next lower brackets generally fared better. However, the overall pattern obtained enabled a reasonably accurate approximation to be made which, owing to the decrease in level of underassessment noted in paragraph 46, was capable of being checked by the interest on investment method.
49. An examination of the N.A.V. of all the parcels in any urban area presented a total and revealing picture of the nature of the area, namely,

the total number of buildings, the locale of their density and range of net annual values and the total area of vacant land.

50. In the urban areas of Ramle and Beersheba the essential documents, namely, the Field Valuation Sheets from which the N.A.Vs of the different parcels could be extracted are missing, with the exception that, in respect of eleven blocks in Ramle the 1940/41 documents were found. Consequently it has so far not been possible to adopt the detailed analysis which was carried out in the other urban areas.

51. In the case of the Ramle urban area a comparison was made with the adjoining areas of Lydda. Three lines of study were developed:

- a) The following data was extracted for the urban area of Lydda:
 - i. Number of buildings
 - ii. Area of vacant sites
 - iii. Area of buildings and their curtilages
 - iv. Population (Village Statistics 1945)

The assumption was made that the number of buildings was directly proportional to the population and hence the number of buildings in Ramle could be calculated. A further assumption was made that the two urban areas were similar in character. A simple calculation produced the area of the buildings and their curtilages, and by deduction from the known total area of Ramle the area of the vacant sites was estimated. The valuation could then be carried out as a direct comparison with Lydda on the assumption that values would be similar in the two areas.

b) The total amount of tax payable in the two urban areas was known and on the assumption that the nature and growth over the period 1945 - 1947 (1944/45 being the year of tax assessment) was similar, a direct comparison was possible between the tax payable and the capital value calculated by the method described in paragraphs 32 - 49.

c) The capital value for all the main towns as calculated by the method previously described was divided by the tax payable and resulted in a factor of 600 which can be applied to the tax payable in the Ramle urban area. Methods (a) and (b) are considered the more reliable as direct comparison is made between two similar and adjoining urban areas, whereas method (c) introduces other factors not common to either.

52. The Beersheba urban area presented a more difficult problem in that there was no adjoining urban area which would be assumed to have similar characteristics. In this case two possible methods of comparison were studied:

a) The total capital value of all the smaller urban areas as calculated by the method described in paragraphs 33 - 50 was divided by the tax payable and resulted in a factor of 570 which can be applied to the tax payable in Beersheba urban area.

b) The total capital value of the towns referred to in (a) above was compared to the total population (obtained from Village Statistics 1945) and resulted in a factor of 108 which can be applied to the population of Beersheba urban area.

A. Rural Lands

54. Rural lands are those to which the Urban Property Tax Ordinance did not apply. As stated in paragraph 24 the criterion common to all rural lands with exception of the Beersheba Sub-district was a classification into various Tax Categories under the Rural Property Tax Ordinance. An explanatory list of the tax categories is attached as appendix C to this paper.

55. With the exception of the Beersheba Sub-district each parcel of rural land ("settled" or "non-settled") was classified under one or more of the tax categories and tax payable on the area of the individual parcel in accordance with its category or categories.

56. The original classification (April 1935) was carried out by Government-appointed Committees. Thereafter the classification of the land was under a system of continuous revision as changes in land use took place. In the vast majority of cases fruit land (other than citrus and bananas) and irrigated land was found to be classified in the categories 5 - 8. Similarly, although some cultivable (ground crop) land was classified under category 8, the major part fell within the group 9 - 15. For all practical purposes, therefore, the total area of land under categories 5 - 8 represents fruit plantations (other than citrus and bananas) and that under categories 9 - 15, cultivable (ground crop) land. It will be noted that this broad division has been adopted for the purpose of the Village Statistics 1945 where, however, cultivable (ground crop) land was sub-divided into two groups, 9 - 13 and 14 - 15. In the analysis of sale prices as described in the following paragraphs, the value within the above groups of categories in any one village were found to vary slightly or not at all. In view of this and since these groupings afforded a broader basis of analysis, no distinction was made between one category and another in each group. The Tax groupings adopted were as follows:

3	Bananas
4	Built-on-areas
5 - 8	Fruit Plantations (other than Citrus & Bananas)
9 - 13	Cultivable land (Ground Crops) (Higher Grade)
14 - 15	Cultivable Land (Ground Crops) (Lower Grade)
16	Uncultivable Land
17	Fish Ponds

57. The Mandatory Administration prepared for the Anglo-American Committee of Enquiry in 1946 a classification of the whole of Palestine by topography, soil types and rainfall. This classification fell into ten zones which are set out in detail in Appendix D to this report. These zones referred to hereafter as Regional Zones. They are indicated on a map and the zone classification of any particular block was readily identifiable.

58. From a study of the tax categories and the regional zones, it was possible, in any particular village, to distinguish the parcels having similar characteristics and it was on this basis that it was decided that the valuation could be carried out.

Lands other than Garden or Fringe Areas

59. As a first step in the valuation process all the sale prices of transactions which took place in the years 1946 - 1947 were analysed for such village. The analysis consisted of setting out on forms the block and parcel number, the area of the parcel, the tax category, the date and amount of the consideration (as assessed or declared) and the share of the whole which was being sold. From this it was possible to deduce the sale price per dunum and consequently the value per dunum of the whole parcel.

60. The result of this analysis was transferred to summary sheets and the total area of each parcel affected by a sale was multiplied by the value per dunum to give the total value of the parcel. This was done for each tax category or groups of tax categories in each village and where necessary for the different regional zones. It was then possible to obtain the average price for all land of the same tax classification in the same zone in each village.

Garden and Fringe Areas -

61. It was realized that there were two other classes of rural land which did not admit of analysis on the tax category basis, namely:

- a) Comparatively small areas which immediately surround the built-on-areas of villages where the land was divided into small parcels and which were used mainly for the cultivation of fruit and vegetables and also formed the land immediately available for any expansion of the built-on-area. Such "garden areas" are fairly readily identified from an inspection of the various plans available.
- b) Certain areas in the neighborhood of large towns notably Jaffa, Tel Aviv, Haifa and Jerusalem where the land had a potential development value.

62. It became apparent at an early stage that the land in the "Garden area" had a higher value than the surrounding land and this was therefore treated as falling within a separate zone and the average calculated accordingly.

63. It also became apparent that the land adjoining towns had a special value and this was treated differently in that the analysis of the sale prices was not related to tax categories. It was found that such land had a value in excess of its value for existing use which was attributable to the prospect of development by buildings or other purposes required by the proximity of the urban areas. In these cases the value did not vary with the tax category in the same way as they did in the case of the purely rural areas. The sale prices were therefore analysed for each block and thus an appropriate value for the Arab-owned parcels in each block could be deduced.

Valuation

64. The results of the analysis were then plotted on plans to a colour code by value and a clear picture was then presented of the different values prevailing in each village and an overall picture of the trend throughout the country. It was therefore a simple matter to deduce value for those villages where the sale data was scanty or lacking altogether.

65. Master Sheets for each village including border villages in so far

as the land falls in Israel were then produced showing the total area of Arab-owned property for each relevant tax category or group of tax categories within each Regional Zone as well as for the "Garden area" where applicable. In this way the deduced value of each could then be applied and a total market value for each village could be calculated.

Built-on-areas

66. The village built-on-areas which were classified under Tax Category 4 presented special difficulties arising from the following circumstances:

- a) The detailed survey and settlement of title of these areas were abandoned at an early stage in the process of Land Settlement under the Mandatory Administration. In the vast majority of cases therefore no data is available as to buildings and since they were not subject to the Urban Property Tax, no N.A.V. is available to form a basis of valuation as in the case of urban areas.
- b) There was practically no market in the ordinary commercial sense for village houses and the matter is further complicated by the fact that the few sales available are not representative of the typical built-on-area. Also even had a large number of sales been available the difficulty of identification with the property sold would preclude their use in valuation. It was therefore necessary to examine other methods of valuation from those generally adopted in this paper.

67. Village Development Survey plans to a large scale, prepared in 1946, were available in the case of a substantial number of villages and approximately 50 of these were studied in great detail. This study revealed that the built-on-areas ran remarkably true to type. In each of the villages studied the areas of the buildings were accurately measured both in the case of the buildings actually within the built-on-area and those which had been erected on land of other tax categories outside the built-on-area.

68. The area of the buildings within the built-on-area was then compared with the total extent of the latter. The consistency of building coverage

particularly within Sub-districts was of a sufficiently high order to justify the use of the percentage building coverage as a method of estimating the total area of buildings within the built-on-area.

69. In those built-on-areas where settlement of title operations has been carried out and consequently where the location of each individual parcel was known, a study was also made of the area of land covered by buildings in different sizes of parcels. Fourteen such villages were so studied. This study revealed a definite percentage of building coverage for different groups of parcels taken by area. As might have been expected the smaller parcels had the greater building percentage. It was not feasible to use the data from this study in arriving at the total value of any built-on-area but the information may well prove of benefit in arriving at the full improved value of individual parcels in a subsequent operation.

70. In the absence of any reliable data as to the value of buildings and land in the open market it is a common practice of valuation to deduce a value by adding together the value of the land and the cost of the buildings. The method has considerable drawbacks, the chief of which are:

- a) The value for sale after completion is not necessarily the same as the value of the land plus building cost, as the value of the finished article is influenced by supply and demand.
- b) The method does not take into account differences in the age of different buildings unless considerable adjustment is made to the building cost.

Nevertheless it was considered that some modified version of the above basis was the only possible method to adopt in the circumstances.

71. In the case of a few of the "settled" built-on-areas, sales transactions were available which could be attributed to individual parcels of land and buildings from which it was possible by analysis to deduce the approximate value of the building as price per square metre after deducting the value of the land.

72. It was accordingly decided to employ a given figure per square metre as the average value of buildings over the country as a whole. Since this figure was derived from actual sale prices it reflected the effects of depreciation and changes in market value.

73. Again, very little evidence was available as to the value of vacant

sites in built-on-areas. The original rate of tax in built-on-areas was 10% of a low capital value of LP 27 per dunum for the land only. In 1944/45 the tax rate was quadrupled, which may be considered to reflect the increased capital value which would then be LP 108 per dunum. From a study of the few sales available in "settled" built-on-areas, and from a comparison with vacant sites in small urban areas insufficient evidence was available to form a reliable guide as to the value of any particular built-on-area vacant site.

74. It seemed reasonable to suppose that the vacant sites in built-on-areas would bear a relationship to the values found for the "Garden area" which generally encircles the built-on-area. It might be argued that the values within the built-on-area would be no higher than that immediately adjoining, but such evidence as does exist indicates that this is not so, and that the value of built-on-area land exceeds that of "Garden area" land. This is supported by the official tax valuers' views in assessing the capital value at LP 27 in 1935. In order to establish the relationship between "Garden area" value with that of a vacant site in a built-on-area, the villages having the lowest garden area value were studied and it was found that if these lowest values were multiplied by a factor of 3 a figure of approximately LP 100 resulted. It was accordingly decided to adopt three times the "Garden area" value as the value of built-on-area vacant land.

75. From a consideration of the above it will be apparent that the total value of the built-on-area can be obtained by combining the building coverage in square metres multiplied by the value per metre and the value of the bare land, calculated at three times the "Garden area" value. However, study of the large scale plans indicated that in most cases there is a certain amount of building outside the built-on-area, and such building would be excluded by the above calculation. It was therefore decided to extend the built-on-area study to include such buildings, and as no comparison between building areas and land areas could be made, it seemed reasonable to base the total area of buildings on the total population, which is obtained from the Village Statistics 1945.

76. In the "Survey of Social and Economic Conditions in Arab Villages" published in 1944 by the Mandatory Administration, five carefully selected villages are studied in great detail. In a chapter on family groups the Survey concludes that "about 70% of all persons are included in families of 4 - 7 members. The most predominant size is 5 - 6 persons." In another chapter on Housing the conclusion is drawn that in a family of 5 the average

density of persons per dwelling unit of one room was 2.9 and for a family of 6 it was 3.1.

77. From the Office study of building area and population and from the study of the large scale maps themselves it appeared that the average dwelling unit of one room had an area of between 25 and 35 square metres. It would appear therefore that the average family would occupy a two room house containing an area of approximately 60 square metres.

78. The method finally adopted to arrive at the value of land and buildings in the built-on-areas and the buildings only outside the limit of the built-on-area was as follows:

- a) The value of the bare land inside the built-on-area was found by multiplying its area by 3 times the value of the "Garden area" surrounding it.
- b) The population obtained from the village statistics was divided by 3 and the result gave the number of rooms of an average size of 30 square metres, and consequently the area of building which might be expected to be found in the average built-on-area and its environs.
- c) The area of buildings in square metres found by this process was then multiplied by the value per square metre added to the value of the land from (a).

This process would be carried out for each village and it is considered that the resulting capital value would represent a fair and reasonable assessment of the market value of the buildings and land in the built-on-areas, together with other buildings in the environs.

79. However, it was thought desirable to check the total result by a more direct method not so closely related to the population figure. From the study of 50 villages described in paragraph 67 above, the total area of buildings both within and outside the limits of the built-on-area was compared with the total area of the latter and a percentage coverage deduced. These percentages were applied to the total area of the built-on-areas in each Sub-district and the result gave the estimated total of building area. The result multiplied by the value per metre was added to the value of the land obtained as before.

80. A difference in the two figures was accounted for by the fact that the

latter took into account outbuildings, etc., whereas the former was based on the occupied rooms only. However, the second method also applied the building multiplier to these out-buildings, which was incorrect as their value was likely to be less than that of the dwelling houses. It seemed reasonable therefore to employ a mean of the two figures and to use the resulting figure in the valuation process.

81. Within the built-on-areas there generally existed one or more small industrial buildings such as an olive press or a flour mill. In most cases these were not identified by the tax lists as their net annual value was under LP 20. In order to include a value in these cases, in which no transaction had been recorded, the total figure found for each built-on-area would be rounded up to the next highest LP 1,000. Their value was essentially small and for the purpose of the task would be adequately covered by this addition.

Beersheba Sub-district

82. As mentioned in paragraph 54 the land in the Beersheba Sub-district was not classified into tax categories as in the rest of the country and accordingly a different method of valuation had perforce to be adopted. It is convenient to regard the whole area as divided into:

- a) Cultivable Land
- b) Rough Grazing and Desert Lands

83. In the first place this vast region of twelve and one half million dunums was not divided into administrative villages as was the case in other Sub-districts where lands sold could be precisely or reasonably accurately located in each village. The sales in the Beersheba Sub-district therefore had to be identified with the general location of the land sold if not the precise location. Fortunately, enough information was obtained from the Registers of Deeds and the Basic Forms (RP/1) to enable this to be done i.e. the name of the tribal area, the name of the locality and the boundaries of each registered area proved to be sufficient guide in almost all cases.

84. The locations of all sales were plotted on a general map of the area, with the value per dunum realized on the sale. A decrease in value correspond-

ed with an increase in the distance from inhabited areas and main lines of communication.

85. Using this sale information and by a carefully study of topographical maps and the Regional Zones the capital value of all Arab-owned cultivable land in the Beersheba Sub-district could be estimated after allowing for trees and buildings.

86. There remained the problem of the value of the rough grazing and desert areas which comprise the rest of the Sub-district. It might be argued that the ten and one-half million dunums of uncultivable land had no value but this argument is untenable as the area did, at least in part support a nomadic population. It is most unlikely that such lands were sold in the open market and certainly this Office had no information covering any transactions in land which might have taken place.

V. VALUATION OF SEPARATE PARCELS

87. This section of the paper covers that stage of work in which the valuation data obtained previously would be applied so as to ascribe a property value to each individual parcel.

88. During the course of this work an endeavour was 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 which each parcel was considered to have in comparison with other parcels in the same general locality.

89. For convenience this section is again divided into:

A. Urban Lands

B. Rural Lands

A. Urban Lands

90. Since for the purpose of an over-all valuation the method adopted entailed a separate calculation for each parcel or groups of parcels, very little additional valuation would be necessary to ascribe a value to each individual parcel.

91. Nevertheless, in the case of vacant sites the opportunity was taken to examine each parcel in detail with particular regard to its precise locality and in so far as possible its physical characteristics.

92. Every available relevant sale price was considered in arriving at the level of market value in any particular area. The application of this market value level to any particular parcel could give a higher or lower value than an actual sale price on that parcel. This apparent anomaly resulted 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.

93. With regard to Rambo and Boersheba Urban areas it would not be possible to ascribe a value to individual parcels, since identification is incomplete, so far, as respects the data from which valuation could be made.

B. RURAL LANDS

94. It will be recalled that in the initial approach the basis of differentiation between one parcel of land and another was the tax category assigned to it by the Mandatory Authority.

95. It was assumed that all land having the same tax category within a village would have the same value per unit of area subject only to variation due to location in different topographic soil and rainfall zones.

96. The valuation data was obtained by taking an average price per dunum as indicated by all the sales which took place in the year 1946 and 1947 within a given village area. The weakness in this method was that it would 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 purpose of over-all valuation the method could fairly be described as giving reasonably accurate estimates, it would not do so when each individual parcel was considered separately.

97. Consequently, when consideration of individual parcels commenced, each village was re-examined in considerable detail, and the following procedure adopted.

98. In the case of "settled" 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 were so far as possible taken into account.

99. 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 (see paragraph 60) were adjusted to conform with a more equitable pattern.

100. The value of each parcel or group of parcels would vary up or down from the average in accordance with the physical characteristics referred to in paragraph 98 above.

101. 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 would not be 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 these areas cannot be determined with any degree of accuracy. Consequently, all the parcels in the particular village concerned would be valued ignoring these "excess" values, the sum of which would be 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.

102. In the case of villages where the sales data was scanty or lacking altogether, the same method as described in paragraph 64 above was used with the addition of the more detailed study of the physical characteristics of each parcel.

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

104. In the case of the non-settled border village where the location of the parcels falling in the blocks cut by the Armistic Line has not yet been determined with regard to that line, the procedure adopted would be to include the value of every parcel in such a block and then make a note of the "excess value" in that block attributable to the area falling outside Israel.

Built-on-areas

105. These areas present special difficulties (see paragraph 66 above).

106. However, detailed studies of the problem were continued and in consequence a somewhat higher value was found appropriate for buildings than had emerged from earlier studies. Nevertheless, it was not found possible to apply a value in respect of buildings to individual parcels of land, since there was no means of knowing which parcel of land contained a building and which did not.

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

108. Nevertheless, in the case of industrial buildings when the Net Annual Value was in excess of LP 20, the value of the building would be included in the value of the parcel.

VI INDEX OF OWNERS

109. It will be apparent from a study of Section III that the identification work was based on the situation of the land by block and parcel numbers and the owner's name related thereto. Consequently, it proved very difficult to ascertain the property of a particular owner when the block and parcel number were unknown.

110. In order to overcome this difficulty the Commission authorized the Office to compile an index of owners which would enable the property holding of any particular owner to be readily ascertained.

111. An index was made for each village and urban area separately but no attempt was made to establish a wider index to cover ownership in more than one village or urban area. The effect of this was 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.

112. The completion of this index of names transliterated from the Arabic into English was found to present special problems. The Mandatory records on which the identification process was based did not follow throughout any one transliteration system so that any Arabic name may be found written in English in more than one way. Moreover, the full name of an Arab individual properly written should show the name of his father, grandfather and great-grandfather or family name, in that order. Quite often one or more of these names were omitted. As a result considerable delay and difficulty was experienced in sorting out the names in alphabetical order and in identifying the same individual.

VII. CONCLUSION

113. The Office has adhered strictly to the basic principles of consistency and fairness in relating the valuation of Arab-owned immovable property holdings in Israel to actual market transactions and has studied all available information in connection with both the identification and valuation projects. It is considered that the results that would be obtained would be fair and reasonable within the context of the programme and subject to the limitations described in this paper.

SUMMARY SCHEDULE

APPENDIX A/1

SETTLED AND NON-SETTLED AREAS (EXCL. BEERSHEBA SUB-DISTRICT) IN FORMS RP/1 AND RP/3 (IN METRIC DUNUMS)

RP/3	AREA CLASSIFIED UNDER TAX CATEGORIES															
	RP/1 ³	RP/3	RP/1 ⁴	RP/3	RP/1 ⁵⁻⁸	RP/3	RP/1 ⁹⁻¹³	RP/3	RP/1 ^{14,15}	RP/3	RP/1 ^{16A}	RP/3	RP/1 ^{16B}	RP/3	RP/1 ¹⁷	RP/3
263	39	33	6	240	15017	1105	63451	8704	4989	455	8243	20671	26	3292	-	-
-	-	-	2940	445	71370	201	154263	2565	47215	3190	131898	244909	51	1577	-	-
1377	420	58	311	1748	7973	13492	126004	123003	7113	5576	4161	61732	12	8797	-	3145
-	-	-	37	-	33	-	299	-	-	-	556	-	10	-	-	-
420	-	-	102	1899	14223	5282	156517	123398	6520	3642	2031	85061	2	10663	-	-
-	-	-	864	56	6722	101	33904	1449	3659	-	23752	10309	-	317	-	-
68	-	-	495	4062	61278	23049	103809	56073	42374	31892	13613	109982	-	12845	-	2161
-	-	-	1353	530	12661	236	56298	1064	34651	5493	20932	101029	-	665	-	-
1273	286	1419	203	3444	20829	6745	153141	118528	13013	24700	5925	72937	3	12236	-	1443
-	-	2	946	25	-	-	-	55	-	-	-	1546	-	239	-	-
4335	5	323	549	17020	31212	32132	269160	199811	37771	11668	13533	220537	19	27511	-	2035
-	-	-	1480	490	813	73	21938	7216	1999	32	26754	28072	2	1228	-	249
-	-	-	15	-	1952	-	31836	473	-	-	1223	4565	5	548	-	-
-	-	-	267	1	6409	-	123112	2564	7439	25	56115	20221	30	408	-	-
-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
-	-	-	-	-	5647	-	540	-	13729	-	3498	-	-	-	-	-
0701	98	180	97	3971	15373	2007	214384	99448	13	-	12517	18936	99	12315	-	317
-	49	-	862	58	3419	-	52123	1249	1841	-	15986	1721	-	202	-	-
-	-	-	-	-	103	-	5899	94	-	-	1503	166	1	167	-	-
-	-	-	1032	213	10260	67	242856	2620	100526	1320	782620	12477	-	404	-	-
-	-	-	-	148	1391	1673	3048	13916	143	569	1458	3383	-	533	-	-
31	-	-	1512	2233	29633	1165	45711	14094	22008	1447	116578	34340	-	1929	-	-
-	-	-	-	-	-	-	1001	-	196	-	5043	-	-	-	-	-
0415	268	750	472	9578	13905	8860	80697	58046	21	394	1396	10477	150	13242	-	-
-	-	-	262	2	-	-	991	688	-	-	260	2111	9	96	-	-
9883	225	67	665	1382	54358	11121	258848	64781	8046	616	52194	50019	178	17625	-	63
-	-	-	778	64	6305	3	71690	2901	8917	150	68621	4181	8	812	-	-
4837	19	16	581	1087	52782	5043	575723	53263	12792	676	9435	57673	103	16175	-	-
-	-	-	1517	49	-	-	3126	-	-	-	860	116	2	519	-	-
7572	1360	2846	3496	44579	290396	110509	2042517	919538	132795	80188	127232	716139	598	135949	-	2164
31	49	2	14250	4166	153272	1846	807852	36465	242180	11657	1253473	461032	112	8396	-	249
7603	1409	2848	17746	48745	443668	112355	2850369	956003	374975	91845	1380705	1177171	710	144345	-	6413

For each Sub-District, the first represents settled land, and the second represents non-settled land.

Terms "settled" and "non-settled" land and "forms RP/1 and RP/3"

SHOWING, BY TAX CATEGORY, SETTLED AND NON-SETTLED AREAS (EXCL.

SUB-DISTRICT	TOTAL	AREA OF SUB-DISTRICT		RP/1 ^{1,2}	RP/3	RP/1 ³	RP/3	RP/1 ⁴	RP/3	
		RP/1	RP/3							
A - GALILEE DISTRICT										
1	ACRE	134446 660911	99683 408024	34763 252887	7912 287	263 -	39 -	33 -	6 2940	2 4
2	BEISAN	365160 935	146232 935	218928 -	238 -	1377 -	420 -	58 -	911 37	171
3	HAZARETH	409809 81133	179444 68901	230365 12232	49 -	420 -	- -	- -	102 864	189 5
4	SAFAD	461947 234912	221815 125895	240132 109017	246 -	68 -	- -	- -	495 1353	408 53
5	TIBERIAS	436218 2813	193493 946	242725 1867	93 -	1273 -	286 -	1419 2	203 946	144 7
B - HAIFA DISTRICT										
6	HAIFA	881948 90364	352576 53004	529372 37360	327 18	18335 -	5 -	323 -	549 1480	170 45
C - SAMARIA DISTRICT										
7	JENIN	40617 216595	35031 193376	5586 23219	- 4	- -	- -	- -	15 267	
8	NABLUS	- 23414	- 23414	- -	- -	- -	- -	- -	- -	
9	TULKARM	425665 78011	257790 74781	167875 3230	15209 501	30701 -	98 49	180 -	97 862	197 5
D - JERUSALEM DISTRICT										
10	HEBRON	7933 1154403	7506 1137302	427 17101	- 8	- -	- -	- -	- 1032	21
11	JERUSALEM	26262 270681	6040 215442	20222 55239	- -	- 31	- -	- -	- 1512	14 22
12	RAMALLAH	- 6240	- 6240	- -	- -	- -	- -	- -	- -	
E - LYDDA DISTRICT										
13	JAFFA	280665 4419	138903 1522	141762 2897	41994 -	40415 -	268 -	750 -	472 262	957 6
14	HAMLE	597177 166304	411620 158193	185557 8111	37106 1874	39883 -	225 -	67 -	665 778	138 6
F - GAZA DISTRICT										
15	GAZA	808848 6589	670078 5905	138770 684	18643 -	4837 -	19 -	16 -	681 1547	108 4
TOTAL SETTLED		4876695	2720211	2156484	121817	137572	1360	2846	3496	4455
TOTAL NON-SETTLED		2997724	2473880	523844	2692	31	49	2	14250	411
GRAND TOTAL		7874419	5194091	2680328	124509	137603	1409	2848	17746	4874

NOTE: (1) Two sets of figures are shown for each Sub-District, the first the second, non-settled land.

(2) For an explanation of the terms "settled" and "non-settled" RP/3", see the report.

SCHEDULE OF THE AREAS OF VACANT SITES AND TOTAL N.A.V. OF BUILDINGS
BEING ARAB OWNED PROPERTY IN URBAN AREAS

Urban Area	Total Area (Vacant Sites) (Metric Dunum)	Total N.A.V. (Buildings) LP	Last Quinquennial Tax Assessment made for Tax Year
ACRE	636	37428	1947/48
BEISAN	222	13588	1944/45
RAFULA	4	-	1948/49
NAZARETH	2387	38436	1946/47
SAFAD	573	13596	1946/47
TIBERIAS	308	17314	1945/46
HAIFA	4895	540527	1947/48
SHAFAR MER	1064	5091	1944/45
NATANYA	47	*	1946/47
JERUSALEM	4976	349393	1944/45
BAT YAM	3	-	1944/45
HOLON	198	14	1944/45
JAFFA	6855	401808	1944/45
RAMAT GAN	71	-	1945/46
TEL AVIV	1078	4032	1944/45
LYDDA	2349	26302	1944/45
MAJDAL	823	20178	1948/49
BEERSHEBA			1946/47

NOTE: In the case of Ramle and Beersheba
identification of ownership is not complete
and the statistical data is not available.
(see paragraph 16).

TAX CATEGORIES
under the
RURAL PROPERTY TAX ORDINANCE 1942

CATEGORY	DESCRIPTION
1.	Citrus (excluding Acre Sub-district)
2.	Citrus (Acre Sub-district)
3.	Bananas
4.	Village Built-on-area or land reserved therefore and any area which in the opinion of the Official Valuer is reserved for the erection of buildings.
5.	(1st Grade irrigated land (1st Grade Fruit Plantation
6.	(2nd Grade irrigated land (2nd Grade Fruit Plantation
7.	(3rd Grade irrigated land (3rd Grade Fruit Plantation
8.	(1st Grade Ground Crop Land (4th Grade irrigated land (4th Grade Fruit Plantation
9.	(2nd Grade Ground Crop Land (5th Grade irrigated Land (5th Grade Fruit Plantation
10.	(3rd Grade Ground Crop Land (6th Grade irrigated land (6th Grade Fruit Plantation
11.	(4th Grade Ground Crop Land (7th Grade irrigated land (7th Grade Fruit Plantation
12.	(5th Grade Ground Crop Land (8th Grade irrigated Land (8th Grade Fruit Plantation

13. (6th Grade Ground Crop Land
(9th Grade irrigated Land
(9th. Grade Fruit Plantation
14. (7th Grade Ground Crop Land
(10th Grade irrigated Land
15. (8th Grade Ground Crop Land
16. Forests, planted and indigenous, and uncultivable land
17. Fish Ponds

NOTE: i. Fruit means fruit other than citrus or bananas

 ii. Irrigated land means land served by a natural
 water supply (1 was not upgraded if artificially
 irrigated)

APPENDIX C

CLASSIFICATION OF PALESTINE INTO LAND AND RAINFALL ZONES

Group A	<u>Good quality land</u>
Zone 1	High class land. Level or gently undulating with fertile soils and an adequate water supply.
Zone 2	Good land. LOAMY soils similar to Zone 1 but with lower rainfall.
Zone 3	Good land. Deep alluvial soils suitable for a wide range of ground crops and, where irrigation is available, for intensive farming.
Group B	<u>Medium quality land</u>
Zone 4	Uplands of Limestone. Steep and terraced slopes, much shallow soil and rock outcrop, with tracts of deeper soil in valleys.
Zone 5	Uplands similar to Zone 4 but with more bare rock, steeper slopes and less cultivable land.
Zone 6	Semi desert lowland. Good loess soils, but cultivation limited by low and very variable rainfall.
Group C	<u>Poor quality land</u>
Zone 7	Lowlands. Limited seasonal crops and grazing, some broken land and some highly saline soil and extensive stretches of cultivable land if irrigated.
Zone 8	Dry eroded hills
	A. Northern Belt. Sufficient moisture for patches of cultivation where sufficient soil.
	b. Wilderness. Very arid conditions
Zone 9	Coastal Sand Dunes
Zone 10	Southern Desert or Negev. Deeply eroded uplands and Southern rift valley.

<u>Category</u>	<u>Description</u>	<u>Rural Tax</u> <u>Per Dukum</u> (a) <u>LP Mils</u> (b)
1-2	Citrus	.100
3	Bananas	2.240
4	Village Built-up Areas	.640
5	1st Grade Irrigated Land & 1st Grade Fruit Plantation	.160
6	2nd Grade Irrigated Land & 2nd Grade Fruit Plantation	.140
7	3rd Grade Irrigated Land & 3rd Grade Fruit Plantation	.120
	Cultivable Land -	
8	1st Grade	.100
9	2nd Grade	.080
10	3rd Grade	.072
11	4th Grade	.060
12	5th Grade	.048
13	6th Grade	.032
14	7th Grade	.016
15	8th Grade	.008
16	Non-Cultivable	Nil

(a) 4.05 dumums equal one acre.

(b) One Palestine Pound (or 1000 mils) equivalent to one Pound Sterling (\$2.80).

The Rural Property Tax Ordinance in Palestine provided for rates according to the estimated productivity of the soil.

The values were as follows (per dunum):

Category

1 to 3	Citrus and Bananas	£P 80.
5 to 8	Irrigated lands, fruit plantations and first grade ground crop land	£P 48.75
9 to 13	Cereal lands	£P 16.8
14-15	Marginal cereal lands	£P 3.6
	No value on uncultivable land	