

## Glossary

Absorption price value	The sale value of the residential property.
Accrual accounting	Accrual accounting records flows at the time economic value is created, transformed, exchanged, transferred or extinguished. This means that flows that imply a change of ownership are entered when the change occurs, services are recorded when provided, output at the time products are created and intermediate consumption when materials and supplies are being used. It is different from cash recording and, in principle, from due-for-payment recording, defined as the latest time payments can be made without additional charges or penalties.
Acquisitions less disposals of non-produced assets (NP)	Transactions in assets that have not been produced within the production boundary, and that may be used in the production of goods and services. This covers transactions in natural resources (which includes land), in contracts, leases and licences and in goodwill and marketing assets. Acquisitions less disposals of non-produced assets are recorded in the capital account of the sectors, the total economy and the rest of the world.
Administrative data (or sources)	Administrative data refers to information collected primarily for administrative (not research) purposes. This type of data is collected by government departments and other organisations for the purposes of registration, transaction and record keeping, usually during the delivery of a service. Types of administrative data for land include cadastre, land registry, and tax data.
Agricultural land (AN.21121)	Land primarily used for agricultural purposes. The total of land under temporary or permanent crops, meadows and pastures as well as land with temporary fallow; this category includes tilled and fallow land, and naturally grown permanent meadows and pastures used for grazing, animal feeding or agricultural purpose. Excludes land underlying farm dwellings, farm buildings or other corresponding structures.
Appraisal method	An approach to obtain the combined value of land and structures on the land, whereby a method for officially assessing real estate values for the purpose of taxation is used. This method is taking into account the physical characteristics and location of each real estate when assessing its value.
Arable land	Arable land is land worked (ploughed or tilled) regularly, generally under a system of crop rotation. Arable land can be broken down into irrigable arable land and non-irrigable arable land.
Asset boundary	Assets as defined in ESA 2010 and SNA 2008 are entities that must be owned by some unit, or units, and from which economic benefits are derived by their owner(s) by holding or using them over a period of time. The asset boundary is the borderline between assets that do and do not fulfil these conditions.
Balance sheet	A statement, drawn up in respect of a particular point in time, of the values of assets owned and of the liabilities owed by an institutional unit or group of units.
Bottom up approach	The bottom up approach takes low level data and aggregates it to produce totals.
Building permit value	The value of the dwelling as reported on the Building Permit Survey.
Buildings other than dwellings (AN.1121)	Buildings other than dwellings, including fixtures, facilities and equipment that are integral parts of the associated structures and costs of site clearance and preparation. Public monuments identified primarily as non-residential buildings are also included. Other examples of buildings other than dwellings include warehouse and industrial buildings, commercial buildings, buildings for public entertainment.
Cadastre	A cadastre is a comprehensive register of the property within a country. It is commonly maintained to record the physical status and legal ownership of land and is often used (or at least initially created) for taxation purposes. A cadastre could also be used for land management or planning purposes. It includes very detailed maps showing the location of the parcels of land and dimensions of land (e.g. square metres). It also typically includes the use of the land, ownership, and value of the individual parcels of land.

Capital account	The capital account records acquisitions less disposals of non-financial assets by resident units and measures the change in net worth due to saving (final balancing item in the current accounts) and capital transfers. The capital account makes it possible to determine the extent to which acquisitions less disposals of non-financial assets have been financed out of saving and by capital transfers. It shows a net lending corresponding to the amount available to a unit or sector for financing, directly or indirectly, other units or sectors, or a net borrowing corresponding to the amount which a unit or sector is obliged to borrow from other units or sectors.
Catastrophic losses (K.3)	Catastrophic losses include major earthquakes, volcanic eruptions, tidal waves, exceptionally severe hurricanes, drought and other natural disasters; acts of war, riots and other political events and technological accidents, such as major toxic spills or release of radioactive particles into the air. Catastrophic losses recorded as other changes in volume result from large-scale, discrete and recognisable events that destroy economic assets. For the asset land an example is the deterioration in the quality of land caused by abnormal flooding or wind damage.
Census	A census is a survey conducted on the full set of observation objects belonging to a given population or universe.
Collection sources	Information gathered from targeted surveys.
Combined value	The total value of the real estate that combines the value of the structure or biological resources (such as, crops) attached directly to land, as well as the value of land itself.
Consolidation	Consolidation is a method of presenting the accounts for a set of units as if they constituted one single entity (unit, sector, or subsector). It involves eliminating transactions and reciprocal stock positions and associated other economic flows among the units being consolidated. As land is a non-financial asset without a counterpart liability consolidation is not applicable to stocks of land.
Consumption of fixed capital (P.51c)	The decline in value of fixed assets owned, as a result of normal wear and tear and obsolescence. The estimate of decline in value includes a provision for losses of fixed assets as a result of accidental damage which can be insured against. Consumption of fixed capital covers anticipated terminal costs, such as the decommissioning costs of nuclear power stations or oil rigs or the clean-up costs of landfill sites. Such terminal costs are recorded as consumption of fixed capital at the end of the service life, when the terminal costs are recorded as gross fixed capital formation. As land is not subject to obsolescence, no consumption of fixed capital should be calculated and registered for land.
Consumption value method	Method to value standing timber. According to this method different stumpage prices are used for the various categories of timber in terms of both species and age or diameter classes. These stumpage prices are applied to the respective stocks (per species and per age or diameter class) in order to calculate the total value of the standing timber.
Cost approach	One of the three main methods of appraisal whereby the appraiser relies upon information about input costs for building a replacement of the structure and adds an estimated land value. Data on current cost of rebuilding and depreciation data adjusted to the local market are required.
Costs of ownership transfer	All costs associated with acquiring and disposing of assets: professional charges or commissions, trade and transport costs separately invoiced, taxes related to acquisition or disposal of the asset, (dis)installation costs, terminal costs. The costs of ownership transfer are treated as gross fixed capital formation in the capital account. In the balance sheets such costs are, in general, incorporated in the value of the asset to which they relate even if the asset is non-produced, but for the asset land the cost of ownership transfer is a produced asset that, by convention, should be registered as part of the fixed asset land improvement.
Cross-classification	Refers to the breakdown of land by sector that is further subdivided into land by type and/or by industry.
Demolition	Deliberate destruction of a building.

Depreciated value of construction costs	See cost approach.
Depreciation	See consumption of fixed capital.
Depreciation (geometric, linear)	Depreciation, or consumption of fixed capital, is the decline, during the course of the accounting period, in the current value of the stock of fixed assets owned and used by a producer as a result of physical deterioration, normal obsolescence or normal accidental damage. (SNA 2008, Chapter 6). Under geometric depreciation, the value of the stock declines by a constant proportion each period. Under linear depreciation, the value of a cohort of assets declines by a constant amount each period.
Depreciation rate	The (assumed) rate at which an asset is depreciated in value during an accounting period. If geometric depreciation is applied the depreciation rate is constant across time for a specific type of asset.
Direct method	The direct method may be viewed as a physical inventory method to estimate the value of land. The area data of each parcel of land can be considered as physical inventory. If the appropriate price for the land is available, the value of land can be computed directly by multiplying the area of each parcel of land by its corresponding price.
Discounted cash flows	A method to determine the combined value of land and structures by estimating the net present value of future rentals of the property. The net present value is obtained by the discounted stream of future incomes minus costs. This method can be used when price information for the property is not available.
Dwellings (AN.111)	Buildings that are used entirely or primarily as residences, including any associated structures, such as garages, and all permanent fixtures customarily installed in residences. Houseboats, barges, mobile homes and caravans used as principal residences of households are also included, as are public monuments identified primarily as dwellings. Costs of site clearance and preparation are also included. Examples include residential buildings, such as one- and two-dwelling buildings and other residential buildings intended for non-transient occupancy. Uncompleted dwellings are included to the extent that the ultimate user is deemed to have taken ownership. Dwellings acquired for military personnel are included as well. The value of dwellings is net of the value of land underlying dwellings, which is included in land.
Economic (dis)appearance of assets (K.1, K.2)	Economic appearance/disappearance of assets is the increase/decrease in the volume of produced and non-produced assets that is not the result of production. It includes entries/exits from the asset boundary of natural resources. The transfer of land from a wild or waste state to land that can be put to economic use is an example of an economic appearance.
Economic asset	An economic asset is a store of value representing the benefits accruing to the economic owner by holding or using the entity over a period of time. This implies that effective ownership over the asset can be exercised such that the owner is able to derive economic benefits from the asset. An economic asset is a means of carrying forward value from one accounting period to another.
Economic benefits	An economic benefit is defined as denoting a gain or positive utility arising from an action. The economic benefits consist of primary incomes such as operating surplus, where the economic owner uses the asset, or property income, where the economic owner lets others use it. The benefits are derived from the use of the asset and the value, including holding gains and losses, that is realised by disposing of the asset or terminating it.
Economic territory	The economic territory is the area under the effective economic control of a single government. However, currency or economic unions, regions, or the world as a whole may be used, as they may also be a focus for macroeconomic policy or analysis.
Economic use of land	Use of land that generates economic benefits (e.g. habitation, agriculture etc.)

ESA 2010	European system of accounts. ESA 2010 is an internationally compatible accounting framework for a systematic and detailed description of a total economy, its components and its relations with other total economies. ESA 2010 is consistent with the System of National Accounts (SNA) 2008, but adapted to the circumstances and needs of the European Union. It has legal status in the European Union. See also SNA 2008.
Farm Structure Survey (FSS)	The FSS is a farm census every 10 years and a large sample survey every 3–4 years in between. It covers the numbers of farms of various sizes and records many characteristics of each farm surveyed. This information enables the total area of the various types of agricultural land to be estimated for small regions (NUTS II) and larger ones (NUTS I), and for each Member State as a whole.
Financial lease	A financial lease is one where the lessor as legal owner of an asset passes the economic ownership to the lessee who then accepts the operating risks and receives the economic benefits from using the asset in a productive activity. In return, the lessor accepts another package of risks and rewards from the lessee. It is frequently the case that the lessor, though the legal owner of the asset, never takes physical delivery of the asset but consents to its delivery directly to the lessee. One indicator of a financial lease is that it is the responsibility of the economic owner to provide any necessary repair and maintenance of the asset. Under a financial lease, the legal owner is shown as issuing a loan to the lessee with which the lessee acquires the asset. Thereafter the asset is shown on the balance sheet of the lessee and not the lessor; the corresponding loan is shown as an asset of the lessor and a liability of the lessee.
Financial wealth	Financial wealth is the value of the net financial assets of an institutional unit, sector or the total economy. It is calculated by taking the total market value of all the financial assets of the entity and then subtracting all its liabilities.
Fixed assets (AN.11)	Produced non-financial assets that are used repeatedly or continuously in production processes for more than one year. Fixed assets consist of dwellings, other buildings and structures, machinery and equipment, weapons systems, cultivated biological resources, and intellectual property products.
Flows	Flows reflect the creation, transformation, exchange, transfer or extinction of economic value. They involve changes in the value of an institutional unit's assets or liabilities. Economic flows are of two kinds: transactions, and other changes.
Forestry land (AN.21122)	Land used for forestry. It does not include the forest itself, only the underlying land. Land that is predominantly used for agricultural purposes or urban use is also excluded.
Government owned land	Government owned land refers to those parts of land to which the ownership is acknowledged, and from which economic benefits can be drawn, by government units (including social security funds) by holding, using or allowing others to use the land. Information on market transactions of government owned land is normally scarce, which necessitates special considerations when valuing the land owned by government.
Gross capital stock	The stock of assets surviving from past investment and re-valued at purchasers prices of new capital goods of the current period.
Gross fixed capital formation (P.51g)	Gross fixed capital formation is measured by the total value of a producer's acquisitions, less disposals, of fixed assets during the accounting period plus certain specified expenditure on services that adds to the value of non-produced assets. Included are dwellings, other buildings and structures (including major improvements to land), machinery and equipment, weapons systems, cultivated biological resources, costs of ownership transfer on non-produced assets, R&D, mineral exploration and evaluation, computer software and databases, entertainment, literary or artistic originals, other intellectual property products.
Hedonic approach	An indirect estimation method that utilises a hedonic regression model to deconstruct the real estate property value (that is, the combined value of land and structures) into separate prices for the land and for the structure.

Hedonic regression models	A statistical process for calculating a linear relationship between a dependent variable (Y) and a set of independent variables ( $X_1, \dots, X_n$ ). Output of the regression model is a set of regression coefficients ( $b_1, \dots, b_n$ ).
Holding gains and losses	See nominal holding gains and losses.
Households	Group of persons who share the same living accommodation, who pool some, or all, of their income and wealth and who consume certain types of goods and services collectively, mainly housing and food. In general, each member of a household should have some claim upon the collective resources of the household. At least some decisions affecting consumption or other economic activities must be taken for the household as a whole.
Households as producers	Entrepreneurs producing market goods and non-financial and financial services (market producers) provided that the production of goods and services is not by separate entities treated as quasi-corporations.
Housing census/survey	A housing census (or survey) is the total process of collecting, compiling, evaluating, analysing and publishing or otherwise disseminating statistical data pertaining, at a specified time, to all living quarters and occupants thereof in a country or in a well-delimited part of a country.
Housing wealth	Housing wealth represents the market value of all the residential assets located in a particular country.
Improvements, major	Major improvements to existing fixed assets, such as buildings or computer software, increase their productive capacity, extend their service lives, or both. Improvements are treated as gross fixed capital formation that leads to an increase in the value of the improved asset rather than the creation of a new asset. Major improvements to land in its natural state are, on the other hand, treated as the creation of a new fixed asset and are not regarded as giving rise to an increase in the value of the natural resource. If land, once improved, is further improved, then the normal treatment of improvements to existing fixed assets applies.
Income approach	One of the three main methods of appraisal, based on the concept that current value is the present worth of future benefits. In its simplest form, it requires an appraiser to (1) determine net annual income, (2) determine the capitalisation rate, and (3) capitalise income into an estimate of value.
Indirect method	A method to estimate the value of land indirectly, either by obtaining the value of the land indirectly or by obtaining the price of the land indirectly. There are three different indirect estimation methods discussed in the compilation guide: the residual approach, the land-to-structure approach, and the hedonic approach. (See description of each approach.)
Industry	A group of establishments engaged in the same, or similar, kinds of activity.
Institutional sector	A grouping of institutional units. Institutional units are economic entities that are capable, in their own right, of owning assets, incurring liabilities and engaging in economic activities and in transactions with other entities.
Institutional units	Institutional units are economic entities that are capable of owning goods and assets, of incurring liabilities and of engaging in economic activities and transactions with other units in their own right.
Investment flows	Value of acquisitions less disposals of fixed assets.
Irrigable arable land	Irrigable arable land is arable land area which could, if necessary, be irrigated in the reference year using the equipment and the quantity of water normally available on the holding.
Kitchen gardens	Gardens of farm households in which they grow fruit and vegetables for their own consumption. Any surplus, which may be considerable, is sold on the market. For national accounts purposes kitchen gardens should be included in land underlying buildings and structures.
Land cover	Land cover refers to the observed physical and biological cover of the Earth's surface and includes natural vegetation and abiotic (non-living) surfaces.

Land improvements (AN.1123)	Land improvements are the result of actions that lead to major improvements in the quantity, quality or productivity of land, or prevent its deterioration. Examples include the increase in asset value arising from land clearance, land contouring, creation of wells and watering holes. Land improvements, according to this definition, may apply to any type of land (and is not restricted to, for example, agricultural land).
Land registry	A land registry registers the ownership of property.
Land underlying buildings and structures (AN.2111)	Land on which dwellings, non-residential buildings and structures are constructed or into which their foundations are dug, including yards and gardens deemed an integral part of farm and non-farm dwellings and their corresponding access roads. Land underlying buildings and structures also includes land underlying public or private transport infrastructure like highways, streets, roads, railways and airfield runways; bridges, elevated highways, tunnels and subways and waterways. Building land on which construction of (farm) dwellings, non-residential buildings or structures take place or for which such construction activities are planned, are included in this category as well.
Land underlying dwellings (AN.21111)	Land on which dwellings are constructed or into which their foundations are dug, including yards and gardens deemed an integral part of farm and non-farm dwellings and access roads to farm dwellings. Building land on which construction of dwellings takes place or for which such construction activities are planned, are included in this category as well.
Land underlying other buildings and structures (AN.21112)	Land on which non-residential buildings and structures are constructed or into which their foundations are dug, including land underlying public or private transport infrastructure like highways, streets, roads, railways and airfield runways; bridges, elevated highways, tunnels and subways and water ways. Building land on which construction of non-residential buildings or structures take place or for which such construction activities are planned, are included in this category as well.
Land use	Territory characterised according to its current and future planned functional dimension or socio-economic purpose (e.g. residential, industrial, commercial, agricultural, forestry, recreational).
Land-to-structure ratio	Ratio of the value of land to the value of the structure on the land.
Land-to-structure ratio approach	An indirect estimation method that obtains the value of the land by multiplying the depreciated structure value by the land-to-structure ratio.
Licences and permits	Licences and permits are official documents which give the licensee permission to do, use, or own something. As regards the licences and permits to use a natural resource in general, and land in particular, three cases are of special interests: (1) The licensee can use the land permanently, which is equivalent to the outright sale of land; (2) The permission to continued use of the land from one year to the next may be extended or withheld, which is a resource lease in the form of the lessee (licensee) regularly paying rents to the lessor; (3) The land may be used for an extended period in such a way that in effect the licensee controls the use of the land during this period with little if any intervention from the legal owner, which leads to the creation of an asset for the licensee, distinct from the land itself but where the value of the land and the created asset allowing the use of the land are linked.
Macroeconomic approach	Approach that focuses on the movement and trends in the economy as a whole.
Main-land use principle	The principle of main land use implies that plots of land that cannot be accurately measured or distinguished are classified to the type of land that is regarded as the main use of the surrounding area.
Market price of land	The price of land at a certain point of time that would result if the property would be sold in a 'free market'.
Market valuation of land	Market valuation is valuation against prices that are current on the date to which the balance sheet relates. Land should thus be valued as if it was acquired at the date to which the balance sheet relates.
Microeconomic approach	Approach that focuses on factors that affect the decisions made by firms and individuals.

Multicollinearity	Two or more variables in a regression model are highly correlated and one of the variables can be predicted by the other variables.
Net capital stock/ wealth capital stock	The stock of asset surviving from past investment adjusted for price changes and depreciation and other volume changes. The net stock captures the wealth aspect of capital and they are the entries for the balance sheets.
Net present value (NPV)	The net present value method is a method that can be applied to value an asset if there is no appropriate market price available. According to the NPV method the market value can be approximated by estimating the stream of net future earnings and discounting it to the present by applying an appropriate interest rate.
Net stocks of structures (see net capital stock)	The value of the stock of structures at the end of a period, net of depreciation and other volume changes. Structures include dwellings, other buildings and structures, improvements, and transfer of ownership costs.
Net worth	The value of all the non-financial and financial assets owned by an institutional unit or sector less the value of all its outstanding liabilities. Net worth is the balancing item in the balance sheets. The net worth can be calculated for institutional units and sectors and for the total economy.
Netting	Net recording concerns a registration whereby the values of some elementary items are offset against items on the other side of the account (for example asset against corresponding liability) or which have an opposite sign. As land can only appear on the asset side of the balance sheet and as the value is always positive, stocks of land cannot be netted.
Nominal holding gains and losses (K.7)	Nominal holding gains and losses that relate to an asset are the increases or decreases in the asset's value accruing to its economic owner as a result of increases or decreases in its price. They have to be registered on the revaluation account.
Non-cultivated biological resources (AN.213)	Animal, tree, crop and plant resources that yield both once-only and repeat products over which ownership rights are enforced but for which natural growth and/or regeneration is not under the direct control, responsibility and management of institutional units. Examples are virgin forests and fisheries within the territory of the country. Only those resources that are currently, or are likely soon to be, exploitable for economic purposes should be included.
Non-financial assets (AN)	Non-financial items over which ownership rights are enforced by institutional units, individually or collectively, and from which economic benefits may be derived by their owners by holding, using or allowing others to use them over a period of time. Non-financial assets are further subdivided into those that are produced and those that are non-produced.
Non-financial wealth	Non-financial wealth represents the portion of wealth constituted by non-financial assets, at the disposal of an institutional unit or sector as shown in the balance sheet.
Non-irrigable arable land	Non-irrigable arable land is arable land area which cannot be irrigated due to the lack of water for irrigation on the holding.
Non-produced assets	See non-produced non-financial assets.
Non-produced non-financial assets (AN.2)	Non-produced non-financial assets are non-financial assets that have come into existence in ways other than through processes of production. Included are natural resources (which include land), contracts, leases and licences, and purchases less sales of goodwill and marketing assets.
Non-residential land	Land containing mostly stores or businesses, rather than dwellings.
Non-urban land	Land in rural areas.
Notional unit	A notional unit is a unit that does not 'physically' exist, but that is created for statistical purposes. When land located in a territory is owned by a non-resident entity, a notional unit that can be treated as resident is identified for statistical purposes as being the owner of the land. The only exception is made for land and buildings in extraterritorial enclaves of foreign governments (such as embassies, consulates and military bases) that are subject to the laws of the home territory and not those of the territory where they are physically situated.

Operating lease	An operating lease is one where the legal owner is also the economic owner and accepts the operating risks and receives the economic benefits from the asset by using it in a productive activity. One indicator of an operating lease is that it is the responsibility of the legal owner to provide any necessary repair and maintenance of the asset. Under an operating lease the asset remains on the balance sheet of the lessor.
Other buildings and structures (AN.112)	Other buildings and structures consist of buildings other than dwellings, other structures and land improvements. Uncompleted buildings and structures are included to the extent that the ultimate user is deemed to have taken ownership, either because the construction is for own use or as evidenced by the existence of a contract of sale/purchase. Buildings and structures acquired for military purposes are included. The value of other buildings and structures is net of the value of land underlying them, which is included in land (AN.211).
Other changes	Other changes are economic flows, other than those that occur through transactions recorded in the capital and financial accounts, that change the value of assets. Other changes can be decomposed into other changes in volume and nominal holding gains and losses. Synonym for other flows.
Other changes in assets account	The other changes in assets account records changes in assets and liabilities of units, other than in connection with saving and voluntary transfers of wealth, the latter being recorded in the capital and financial accounts. It is divided into the other changes in volume of assets account and the revaluation account.
Other changes in the volume of assets	The other changes in the volume of assets consist of the changes in assets, liabilities, and net worth between opening and closing balance sheets that are due neither to transactions between institutional units, as recorded in the capital and financial accounts, nor to holding gains and losses as recorded in the revaluation account. For the case of land these might, for example, be changes in classification, entry/exit of (a plot of) land into the asset boundary or (measurable) changes in the quality of (a plot of) land.
Other changes in volume	See other changes in the volume of assets.
Other changes in volume not elsewhere classified (K.5)	Other changes in volume not elsewhere classified (K.5) are the effects of unexpected events on the economic value of assets. Examples include unforeseen obsolescence, differences between allowances included in consumption of fixed capital for normal damage and actual losses, degradation of fixed assets not accounted for in consumption of fixed capital, abandonment of production facilities before completion, exceptional losses in inventories.
Other changes in volume of assets account	The other changes in volume of assets account records the changes in assets, liabilities, and net worth between opening and closing balance sheets that are due neither to transactions between institutional units, as recorded in the capital and financial accounts, nor to holding gains and losses as recorded in the revaluation account.
Other land and associated surface waters (AN.2119)	All land and associated surface water within the asset boundary not elsewhere classified.
Other structures (AN.1121)	Structures other than residential structures, including the costs of streets, sewers and site clearance and preparation. Also included are public monuments not classified as dwellings or buildings other than dwellings; shafts, tunnels and other structures associated with mining mineral and energy reserves; and the construction of sea-walls, dykes and flood barriers intended to improve land adjacent but not integral to them. Examples include highways, streets, roads, railways and airfield runways; bridges, elevated highways, tunnels and subways; waterways, harbours, dams and other waterworks; long-distance pipelines, communication and power lines; local pipelines and cables, ancillary works; constructions for mining and manufacture; and constructions for sport and recreation.
Ownership	Two types of ownership can be distinguished, legal ownership and economic ownership. For national accounts purposes economic ownership is the most relevant concept. The economic owner of entities such as goods and services, natural resources, financial assets and liabilities is the institutional unit entitled to claim the benefits associated with the use of the entity in question in the course of an economic activity by virtue of accepting the associated risks.

Permanent crops	Crops that cover the land permanently. It comprises orchards, vineyards, olive groves and the like. It also includes fruit plantations, nurseries and 'other permanent crops' such as Christmas trees.
Permanent grassland	Permanent grassland is land used permanently (for five years or more) to grow herbaceous forage crops, through cultivation (sown) or naturally (self-seeded) and which is not included in the crop rotation on the holding.
Perpetual inventory method	A widely used method for estimating net capital stocks by accumulating past gross fixed capital formation and deducting accumulated consumption of fixed capital (depreciation) and the remaining value of assets that have reached the end of their service lives.
Physical inventory method	Determination of the physical stock of land that has to be valued. (See direct method)
Produced assets	See produced non-financial assets.
Produced non-financial assets (AN.1)	Non-financial assets that have come into existence as outputs from production processes that fall within the production boundary of the SNA 2008/ESA 2010. They consist of fixed assets, inventories and valuables.
Property price	See real estate price.
Property value assessments	Estimated land and property value typically conducted by specialised assessors.
Public-private partnerships	Public-private partnerships are long-term contracts between two units, whereby one unit acquires or builds an asset or set of assets, operates it for a period of time and then hands the asset over to a second unit. Such arrangements are usually between a private enterprise and government but other combinations are possible, with a public corporation as either party or a private non-profit institution (NPI) as the second party. These schemes are described variously as Public-Private Partnerships (PPPs), Private Finance Initiatives (PFIs), Build, Own, Operate, Transfer schemes (BOOTs) and so on.
Quantity times price approach	An approach to obtain the combined value of land and structures on the land based on information on quantity (i.e. number of dwellings) and the real estate price. This approach is usually applied for residential real estate and cultivated land.
Real estate price	Price of a property sold on the real estate market including the value of land and the value of buildings and other structures attached to land (i.e. combined value).
Recreational land and associated surface water (AN.2113)	Land that is used as privately owned amenity land, parklands and pleasure grounds and publicly owned parks and recreational areas, together with associated surface water.
Renovations	Major repairs that extend the life of an asset. Renovations are treated as capital formation and the value of the repairs and renovations is added to the value of the asset before the work was undertaken. The value of the capital repairs is supposed to be equal to the discounted value of the increased services that the asset will yield, either by increasing the services in each of the remaining years of the initial life length, or extending the life length, or both.
Representative price	A price is representative if it adequately reflects the actual market price for a given plot of land (or property) or for a given land type (or property type).
Residential land	Land containing mostly dwellings, rather than stores or businesses.
Residential Property Price Index (RPPI)	Index based on the market transactions for new and existing dwellings. As such it covers the land and the structure components jointly.
Residual approach	An indirect estimation method that obtains the value of land by subtracting the depreciated structure value from the combined value of structures and land. Generally, the combined value is the real estate value at current market prices; the value of the depreciated structure is usually estimated using the perpetual inventory method (PIM).

Resource lease	A resource lease is one where the owner of a natural resource makes it available to a lessee in return for a payment recorded as rent. In a resource lease the resource asset — for example the land — remains on the balance sheet of the lessor even though it is used by the lessee. A long term lease of land might be treated as an exception and may be taken as the sale of the land.
Retirement (normal, lognormal, Winfrey, Weibull)	‘Retirements’ and ‘discards’ refer to the removal of an asset from the capital stock, with the asset being exported, sold for scrap, dismantled, pulled down or simply abandoned. Retirement patterns are frequently measured in the form of a distribution, such as normal, lognormal, Winfrey, or Weibull. (For more details, see <i>Measuring Capital</i> (OECD, 2009), Chapter 13).
Revaluation account	The revaluation account records the holding gains and losses accruing during the accounting period to the owners of financial and non-financial assets and liabilities
Revaluations	See nominal holding gains and losses.
Sale price appraisal ratio (SPAR)	See SPAR method.
Sales comparison approach	One of the three main methods of appraisal, whereby the value of the property is estimated by analysing the sale prices of similar properties.
Sector	See institutional sector.
Sectorisation	Sectorisation is the process of allocating institutional units or data to sectors of the economy.
SEEA 2012	The System of Environmental-Economic Accounting contains the internationally agreed standard concepts, definitions, classifications, accounting rules and tables for producing internationally comparable statistics on the environment and its relationship with the economy.
Service lives	The typical length of time in which a fixed asset contributes to production.
Shared land	Shared land concerns the case when two or more economic agents use the same piece of land for economic purposes.
Shared ownership	Shared ownership is a situation where two or more economic agents own one piece of land.
Site clearance	Site clearance concerns the preparation of a piece of land in order to enable the construction of dwellings or other buildings and structures. Basically, the costs of site clearance must be included in the value of the buildings and should not be considered as land improvements.
SNA 2008	System of national accounts (SNA) 2008 is the internationally agreed standard set of recommendations on how to compile measures of economic activity in accordance with strict accounting conventions based on economic principles. The accounting framework provides a comprehensive and detailed record of the complex economic activities taking place within an economy and the interaction between the different economic agents, and groups of agents, which takes place on markets or elsewhere.
SPAR method	An acronym for Sale Price Appraisal Ratio method, an approach to construct a residential property price index which combines the current period selling prices with appraisals (assessed values) pertaining to some earlier base period.
Stocks	Stocks are the holdings of assets and liabilities at a point in time. Stocks are usually recorded at the beginning and end of each accounting period. The accounts that show stocks are called balance sheets. Stocks result from the accumulation of prior transactions and other flows, and they are modified by future transactions and other flows. Thus stocks and flows are closely related.
Stratification approach	Stratification is the process whereby the population is broken down into subsets (called strata) and whereby an independent sample is selected in each subset. The process of stratification may be undertaken on a geographical basis or by reference to some other quality of the population.

Stumpage value method	Method to value standing timber. The stumpage value method calculates an average stumpage price for the total harvest. According to this method the average price is calculated by dividing the stumpage value of the felled timber after deduction of the logging costs by its volume. This average price is applied to the whole stock.
Surface water	Surface water includes any inland waters (reservoirs, lakes, rivers, etc.) over which ownership rights can be exercised and that can, therefore, be the subject of transactions between institutional units. It is part of the asset land. In the proposed land classification, surface water is classified by use: surface water used for aquaculture, surface water associated with recreational land, and surface water associated with other land. However, water bodies from which water is regularly extracted, against payment, for use in production (including for irrigation) are included not in water associated with land but in water resources.
Surface water used for aquaculture	Surface water used for aquaculture facilities and fish farming activities. Aquaculture refers to the farming of aquatic organisms: fish, molluscs, crustaceans, aquatic plants, crocodiles, alligators, turtles, and amphibians. Farming implies some form of intervention in the rearing process to enhance production, such as regular stocking, feeding, protection from predators, etc.
Surrounding amenity	A surrounding amenity is a facility that has a positive or negative effect on the quality of a real estate property. Examples of positive effects are nearby located parks, shopping malls, or access roads that increase the attractiveness of an area. An example of a possible negative effect is a factory that is built opposite to the real estate property.
Survey	A survey is an investigation about the characteristics of a given population by means of collecting data from a sample of that population and estimating their characteristics through the systematic use of statistical methodology.
Tax data	Data coming from tax records.
Time of recording	Time of recording refers to the point in time at which transactions between units are registered. The general principle in national accounting is that transactions between institutional units have to be recorded when claims and obligations arise, are transformed or are cancelled. This time of recording is called an accrual basis.
Top down approach	The top down approach breaks down a total into sub-components, when lower level data is unavailable. An example is a breakdown of data for the total economy into institutional sectors.
Transactions	A transaction is an economic flow that is an interaction between institutional units by mutual agreement or an action within an institutional unit that it is analytically useful to treat like a transaction, often because the unit is operating in two different capacities.
Uncompensated seizures (K.4)	Uncompensated seizures occur when governments or other institutional units take possession of the assets of other institutional units, including non-resident units, without full compensation, for reasons other than the payment of taxes, fines or similar levies. The seizure of property related to criminal activity is considered to be a fine. The uncompensated part of such unilateral seizures is recorded as other changes in volume.
Unincorporated enterprises	The production activity of a government unit, NPISH or households that cannot be treated as the production activity of a quasi-corporation.
Urban core	Large urban area.
Urban fringe	All small urban areas that are not contiguous with the urban core.
Use of land	See land use.
Value of land	See market valuation of land.
Value of real estate (or property)	See combined value.

Volume changes

Volume changes are changes in value which can be assigned to a change in area (quantity) or quality, either due to transactions or due to other changes in volume, and not to revaluations.

Wealth

Financial and non-financial resources at the disposal of an institutional unit or sector as shown in the balance sheet. The assets involved in this concept have the characteristic to generate or have the potential to generate future income.



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