

Abstract and full paper

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Marc Landeman¹

How law affects economics Compensation of logging prohibition and the enterprise effect

Abstract

The state can regulate and put restrictions on the current land use of properties. In Sweden, one such situation that has become very common the last decades are regulations that prohibits forestry owners to cut down their forest due to protection of endangered species or other environmental values. These logging bans are a kind of *regulatory expropriation* and can imply severe economic (and non-economic) losses for the property owner. The owner can, under some circumstances, be entitled to compensation. For compensation to be paid, the economic damage from the regulation need to fulfil certain requirements stated by the law, i.e. the economic damage needs to be qualified due to certain legal requirements. When an owner is entitled to compensation, a problem arises regarding how the compensation should be determined. One such compensatory problem is when the property is owned by a *legal entity* (juridisk person), e.g. a forestry company. Legal entities have in general a high purchasing capacity and are also willing to pay significantly more for a property than a physical entity. Even though they have the highest willingness to pay, legal entities cannot purchase land from anyone they like. A short explanation for this statement can be derived from *The Swedish Land Acquisition Act* (Jordförvärvslagen) that puts restrictions on who can and cannot buy agricultural and forestry property. In short, the main rule is that legal entities cannot purchase this type of properties from physical entities. The legislation has, in short, created two submarkets; one for physical entities and one for legal entities, since legal entities can only purchase from other legal entities. The different submarkets have raised problems when it comes to determine the compensation if a forestry property owned by a legal entity gets a logging prohibition, since there are barely no transactions on the submarket for legal entities. Therefore, the appraisers, and also the courts, have to use comparable sales and other market information from the submarket of physical entities to be able to appraise and determine the market value of properties on the submarket for legal entities. In this

¹ Senior lecturer at the Faculty of Law, Uppsala university. Director of the Real Estate Research Institute (IFF), Uppsala university.

paper, I derive a theoretical explanation of why and how the *Land Acquisition Act* affects the economic appraisal of market value for the situation of regulatory expropriation. The paper also derives and theoretically explains why the appraisal and the courts need to make adjustments due to a so-called *enterprise effect* (bolagseffekt) when determining the market value due to the use of market information from the other submarket. Overall, the paper gives an illustration of how law affects economics in terms of market value and the appraisal of property that gets affected by such the legal restrictions.

How law affects economics

Compensation of logging prohibition and the enterprise effect

1 Introduction

In the recent decades, the preservation and protection of nature and environmental values has become a more and more important subject of the public interest. This applies in particular when it comes to protection of forest that are old and constitute important habitats for endangered species. The protection can be done in many different ways; one example is the creation of so-called biotope protection areas,² or through a denial of permission for the owner to go through with a logging on his or her forestry property.³ The collective name for this kind of compulsory intrusion in the owner's property rights are *regulatory expropriation* (or regulatory takings depending on the country context). It is a kind of compulsory acquisition, but not a formal physical expropriation since the owner still keeps the property rights of the land, even though he or she is, under normal circumstances, unable to continue with the current land use. In other words, the so-called *bundle of rights*, that constitutes ownership of property, has shrunk through the regulatory measure and public decision (e.g. Snare, 1972).

When these conditions are present, an obvious conflict of interest arises. The owner can't continue with the current forestry land use in terms of a realization of the economic value of his or her forest, since that will damage and, in many cases, eradicate environmental values, important habitats and endangered species from the current property.

In a Swedish context, but also in most other European countries, the owner has a potential right to compensation for the damage that occurs from the regulatory measure. However, if compensation should be paid, and how it should be decided, has been a multifaceted problem for the Swedish authorities and courts during the 21st century (see e.g., NJA 2015 s. 323, MÖD 2017:7, MÖD 2020:8 and NJA 2023 s. 291).

One of the compensation problems that has arisen recently, especially from the nowadays famous protection of fjeld forest (fjällnära skog) court cases, is the so-called *enterprise effect* (bolagseffekt) that can be present when the property is owned by a legal entity (juridisk person) e.g., a company, the church or a municipality, and not, which is of importance, a physical entity (fysisk person).

In short, the *enterprise effect* implies that forest property owned by a legal entity has a higher market value and probable selling price than if the same property was owned by a physical entity. The purpose of this article is to explain and discuss the origin of the enterprise effect in the context of forestry, and how it can be accounted for in the valuation of a forestry property under a regulatory expropriation.

² See in general the 7th chapter in the Swedish environmental code for different kind of protections and regulations.

³ See e.g. 18 § Skogsvårdslagen.

2 Brief theoretical background to the enterprise effect

2.1 The origin of the effect: The Swedish Land Acquisition Act

In the introduction, I described that forestry property owned by legal entity constitutes a higher market value than property owned by a physical entity. This may sound strange at a first glance but can, in brief, be explained by the fact that the properties are traded on different submarkets depending on the type of owner. This, in turn, can be explained by the Land Acquisition Act (jordförvärvslagen) that to some extent decides who can buy – and not buy – forestry property that has been posed on the market.

The Land Acquisition Act implies that the buyer of a property taxed as an agricultural property (lantbruksfastighet), as a main rule needs an acquisition permit, issued by the state or state authority, to be able to fulfill a purchase, or other types of acquisitions, of a property that falls with-in this classification.⁴ If such a permission can't be granted, the transaction cannot be made, i.e. the purchaser that got a denied permit cannot buy the current property.

The definition of what property falls in to the classification follows from the Swedish Property Taxation Act and does not only include forestry property but also, for example, agricultural land and pasturage land.⁵ Further, the need of an acquisition permit does not, in general,⁶ apply to Sweden as a whole, but only to properties located to so called sparsely populated regions (glesbygd).⁷ However, the majority of the area of Sweden falls with-in the legal definition of sparsely populated regions; for example, most land north of the Stockholm region are classified as sparsely populated by this law.⁸ Even though not all agricultural property of Sweden falls with-in this classification, most of it does.

The requirement of an acquisition permit is, as has been mentioned briefly, different between legal and physical entities. For a *physical entity*, an acquisition permit is only, as a main rule, required if the property is located in a sparsely populated region. However, there are a lot of exceptions from this main rule. Permission is not required if any of these conditions are present: 1) the purchaser already owns a share of the property, 2) the acquisition is made through inheritance or gift, 3) the acquisition is made from parents, grandparent or spouse and 4) the acquirer has been registered (folkbokförd) in the same municipality as the current property for the last twelve months.⁹ Even if a physical entity requires an acquisition permission, there is normally good chances go get it granted by the state authorities, even though it can be denied if the property is e.g. needed on *locality level* for employment or settlement

⁴ The Land Acquisition Act section 4.

⁵ Property Taxation Act, Chapter 4, section 5, 7th point.

⁶ For legal entities this is a bit different though; they need as a main rule acquisition permit for most acquisitions even though there are exceptions. We will come back to this later.

⁷ The Land Acquisition Act section 4.

⁸ The Land Acquisition Decree, section 1 and appendix.

⁹ The Land Acquisition Act section 3 and 5.

issues for someone else than the purchaser, e.g. if there exists a land rent agreement for the current land.¹⁰

For a *legal entity*, an acquisition permit is always needed if the seller is either a physical entity or a decedent estate (*dödsbo*), and always, regardless of the entity of the seller, if the property is located in a sparsely populated region. In other words, this means that a permission is needed in all situations but for when both the seller and the buyer are legal entities, and the property is located in a non-sparsely populated region (proposition 2004/05:53 p. 26).

Here it is of great interest to ask under what conditions a permit should or should not be granted when the purchaser is a legal entity. As a starting-point, the permit *should* be granted when the *seller* is a legal entity and the property is located in a sparsely populated region.¹¹ However, if the seller is a physical entity or a decedent estate, the main rule implies that a permit should not be granted for the transaction; a permit can under this condition only be granted if exceptions exist e.g., if the purchasing legal entity with-in the last five years has sold land with equal use and productivity to a physical entity or to the public for environmental preservation purposes.¹² This means, in short, that the balance is kept status-quo with respect to the distribution of owned land between physical and legal entities.

From this main rule it follows that a legal entity usually is prohibited to buy agricultural property, including forestry, from physical entities. In other words, if a legal entity wants to buy forestry property, the seller usually needs to be another legal entity. If this condition is not fulfilled, the acquisition permit will be denied and the purchase can't be done.

2.2 What is the purpose of the acquisition permits?

It lays several purposes behind the land acquisition act. The overall aim, however, is to benefit regional policy goals, such as the local employment in the sparsely populated areas where the properties are located; for example, the legislator stresses that it is of especially importance to promote local employment and make it easier to be or get settled in sparsely populated regions (proposition 2004/05:53 p. 16). This can best be reached and fulfilled, according to the legislator, if the land to some extent is owned by the local population, or at least by physical entities (proposition 2004/05:53 p. 26 ff.). The legislation works, in other words, as a tool for the state to direct the ownership of land towards that type of owner-characteristic that promote the preferred regional politics in the best way.

One important strategy, to promote local values and keep ownership on local level, is according to the legislative history (*förrarbetena*) to limit the possibilities for legal entities to expand their overall share of the ownership to agricultural property (proposition 2004/05:53 p. 26). This fear, of especially big forestry companies to take over

¹⁰ The Land Acquisition Act section 7. There are also exceptions stated in this section.

¹¹ The Land Acquisition Act section 6. It is noteworthy that decedent estates is excluded here, and is treated the same as a physical entity.

¹² The Land Acquisition Act section 6. In this section, it also follows other exceptions from the main rule.

the ownership control of big areas of the country, is nothing new; it dates back to early 20th century and can partially be derived from a period of the Swedish history when big corporations actually bought forest from (poor and un-informed) local residents (often very cheap).¹³ Over time, this created damage at the local level and made the rural countryside much less attractive for settlement and harder for local residents to sustain their livelihoods from the land and/or combined with other employment.

As a result, legal entities such as forestry companies, cannot purchase forestry property from physical entities unless they have sold an equal amount of forest land to such an entity, or to the state for preservation purposes, since that would imbalance the proportion of owned land between legal and physical entities, i.e. the share of land owned by legal entities are not allowed to expand since that will threaten the regional policy goals of society.

It is from this described condition, that there is to some extent not a completely free market for forestry property, that the enterprise effect can be derived. One possible way to further explain or describe the effect, is to see the division between physical and legal entities as *two different submarkets* for forestry properties, i.e. there exists two different markets depending on the subject of the entity.

2.3 The Land Acquisition Act's intervention in the free market: the creation of submarkets

With respect to the description of the content of the land acquisition act made in the previous section, it's easy to argue that the rules have an impact on the likely purchaser of a specific forestry property that falls in under this legislation, especially since it intervenes in the free market conditions of whom can be a purchaser of this kind of property. For example, a property owned by a physical entity cannot be sold to the buyer with the highest valuation of the property, given that this (non-)potential buyer is a legal entity.

This is in line with the literature of valuation and forestry economics, where it appears descriptions that the legislation can have an impact on the category of a likely purchaser of a forestry property and many times, depending on the pre-requisites of the specific property, determine which category of buyer that will actually be allowed, and/or likely, to purchase the specific property (Lindeborg 1989 p. 53). Therefore in a valuation of a specific forestry property, one important pre-requisite to consider is if the valuation property is affected by the land acquisition act, since this will affect the likely, and many times also the possible, buyer of that property.

Since to some extent the legislation will affect and decide who can buy and not buy a specific property, the step towards the economic theories of *submarkets* is not far away. I think it's not too controversial to claim that the land acquisition act has

¹³ Part of this is process to buy land cheap from small scale farmers is called *baggböleri* in Swedish, and lack, as far as I know, any proper translation, but implies in short that big business and corporations, with morally dubious methods, bought land cheap from relatively poor farmers.

created two different submarkets for forestry property: one market for physical entities and one market for legal entities.

In short, a submarket can be described as a market where the actors have similar pre-conditions and are reasoning in a similar way in respect to the value creating attributes of the property; they are also sharing many valuation assessments of the property and have similar aims with their property possessions (Lindeborg 1989 p. 9). Further, should the objects traded on a submarket attract similar categories of buyers, i.e. the price formation process is initiated and shaped in approximately the same way for objects on the submarket in respect to the buyers (e.g. Bejrums & Lundström 1990 p. 145 and Lindeborg, 1989 p. 51). This means, in other words, that the properties on a submarket attract the same groups of buyers (Bengtsson 2018 p. 148) and that the properties constitute substitutes for each other (Lindeborg, 1989 pp. 16).

In respect to the enterprise effect, the two identified submarkets are of importance, and especially what differentiates them from each other. One main difference is the individual value for the two different types of owners. More precisely, which factors drive and shape the price formation process for each type of owner. Even if the base – the timber of the forest – as a value creation factor, is shared between the submarkets, there are many other factors, e.g. different rules of taxation, that depart between legal and physical entities, but that affect their individual value and the price formation process.

In the valuation and forestry economic literature, it is stressed that many legal entities will be both able and willing to pay relatively more for forestry properties than what a physical entity would be able and willing to pay for the same kind property. In addition to more favorable tax rules, legal entities can usually extract a higher degree of value from the property with respect to e.g. the raising of capital, moving and re-investing profit, perception of risk and risk-spreading, scale economy and more experienced profession in maintenance and similar activities (e.g. Gustafsson & Lindeborg 1985 pp. 243-248 & Lindeborg, 1989 pp 51-56).

Another possible explanation for the differences of the price formation process, and further impacting the most probable price, is the relation between supply and demand on respectively submarket. This might sound as a very simple and rudimentary explanation, and it might be, but one reason that explains why the prices are higher on the submarket for legal entities is the relatively moderate supply, together with a relatively high demand for forestry properties. We also need to keep in mind that the only possibility for a legal entity to buy forestry property is, as a main scenario, when the seller is another legal entity.

However, forestry property owned by legal entities is rarely sold on the open market, compared with forest owned by physical entities, which implies that the demand is substantially higher when a property owned by a legal entity is actually put on the market for sale; as most legal entities do not sell their holdings. This condition is also likely to increase the probable selling price to a higher level on the submarket for legal entities compared to the submarket for physical entities.

In short, the in above exemplified individual value factors will, together with different supply and demand curves for respectively submarket, affect the most probable selling price for a property on each submarket. These differences are also the origin and main explanation of the existence of an enterprise effect, as I will come back to below. An illustration of the different submarkets and price formation process follows from figure 1 below.

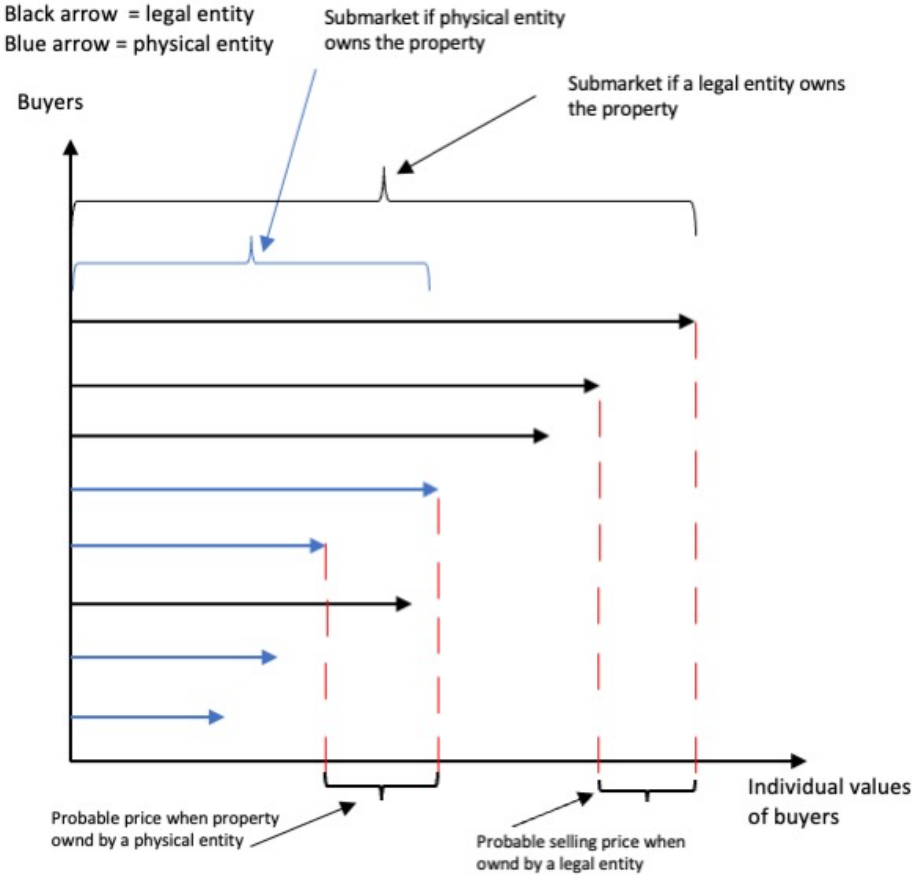


Figure 1. Illustration of the two submarkets and the price formation process.¹⁴

Figure 1 illustrates the different individual values of legal and physical entities, and the two resulting submarkets for each category of buyer. The figure also illustrates that legal entities will, in accordance with the previously stated factors, normally have a higher valuation of forestry property compared to physical entities. One important illustration that follows from the figure is, in addition, that the most probable selling price for a property will be higher on the submarkets for legal entities compared to the submarkets of physical entities. This is important to keep in mind, since it is one of the main explanations to the origin of the enterprise effect. I will come back to this later.

¹⁴ The figure is based on Bejrum & Lundström 1990 s. 144.

Finally, figure 1 also illustrates who would likely purchase a property if the land acquisition act *did not exist*, i.e. a legal entity since they have a higher individual value and willingness to pay more for the same property compared to a physical entity. If there was a free market, without any legal restrictions on who can and cannot buy agricultural property, the purchaser with the highest valuation would end up buying the property. Since legal entities usually can extract a higher value from the property, they will end up being the likely purchaser, in most situations (if there were no restrictions for a free market such as the land acquisition act).

3 Appraisal methods of forestry valuation and the enterprise effect

3.1 Comparable sales method, income approach method and market simulation

How a forestry property should be appraised has historically been a field with a dissensus view (e.g. Lundström 1985 s. 249 ff. and Norell, 1986 pp. 42 ff.) However, today it is accepted that the appraiser can use either a comparable sales method, an income approach method or, which is common, combine the two of them (Sjödín et al 2016 pp. 98 ff.; cf. Mark- och miljödomstolen Mål nr M 1816-17).

What methods the appraiser should use are, however, just a starting point of the valuation problem and process. In the literature, it has been stressed that valuation of forestry property is a relatively difficult process where many factors are either unknown or very difficult to assess by the appraiser regardless of which methods are used; a statistical approach is many times just a starting point and a basis for the valuation since a statistical material is usually, more or less, inadequate. In these conditions, the appraiser has to rely more on a market simulation approach. In fact, it has further been stressed in the literature that market simulation is an especially significant approach in valuation of forest compared to other kind of property (Sjödín et al 2016 s. 101).

This means, in short, that the appraiser wants to imitate the price formation process and how the actors are reasoning when they decide what value they assess in the property (Sjödín et al 2016 s. 101). Further, it also means that the appraiser is trying to assess the probable buyers' individual values of the valuation property through a simulation of the market and that the appraiser has to do many qualitative assessments and judgement with-in the process (Bejrums & Lundström 1990 s. 154). In other words, it is a good example of the saying that the appraisal-craft is a mix between art and science, but perhaps with the weight on the artistic side when it comes to valuation of forest property (Smalley, 1995 s. 165 ff.).

A relatively significant problem in the valuation of forestry property is a lack of adequate comparable sales of properties sold on the same submarket as the valuation property. This is a general problem that occurs in more or less every valuation of forestry property. The problem of inadequate comparable sales is, however, to more

substantial when it comes to appraise the market value of forestry property that is owned by a legal entity, since properties on that submarket are rarely traded at all at any time.

To get a sense of the submarket of legal entities, the appraiser here has to turn to the submarket of properties owned by physical entities. However, this is not without problems since the characteristics and value driven factors for the actors on this submarket, as has been described above, are not equal between the two submarkets; we have to remember that legal entities usually can be assumed to have a higher individual value of forestry properties, that together with the relation between supply and demand, implies that the most likely price will be substantial higher if the buyer of the comparable sales properties instead would have been a legal entity. In other words, the most likely buyer on the current submarket for legal entities had, hypothetically, most likely paid more than the prices that has actually been paid on the submarket for physical entities. In other words, the individual values of the legal entities – the most likely buyer – are not mirrored in the historical sales prices that can be visible on the submarket for physical entities.

One main problem is therefore for the appraiser that he or she has to approach the valuation problem with information derived from the submarket for physical entities, even though that the most likely buyer of the valuation property would be a legal entity with a significant higher willingness to pay. In other words, there are factors that will affect the most likely price for the valuation property, but that has not been accounted for in the available comparable sales material, i.e. there exists factors that need to be adjusted for by the appraiser. This is the enterprise effect.

3.2 Market simulation and adjustment for the enterprise effect

Under optimal conditions, there would be no need for adjustments in the comparable sales material if it was representing the valuation property in an accurate way. In the situation with the enterprise effect, a more ideal world would be, for example, if the comparable sales consisted of sales from the submarket of legal entities, since this would give the appraiser accurate market information to derive a market value assessment from, and there would be no need for the enterprise effect.

Since this is normally not the case, and the appraisal has to use comparable sales from the other submarket where the price formation process is different, there will be a need to adjust for the difference in individual value between the buyers of the two submarkets, i.e. to adjust for the enterprise effect. To adjust for attributional differences between the valuation property and properties in the comparable sales method is neither something odd or new; some authors have even described the adjustment as the heart of the comparable sales method and appraisal process (Boyce & Kinnard s. 169), but it is perhaps in general less common to do with respect to the individual value function for the most likely buyer on two different submarkets (cf. Boykin & Ring 1986 s. 174).

So, how should the appraisal account for the enterprise effect during the adjustment process? The solution on this problem is as difficult as adjustments of other

differences in attributes between different properties. In a classic appraisal work, Wendt (1974 s. 97) asks rhetorically how much more a property directly connected to the sea and with a sea view will be sold for compared to a very similar property, but that lack this specific attribute. The answer Wendt gives is that it is often easy to conclude that an adjustment must be done, but that it is much harder to decide by how much one should adjust; for example, should it be an add-up of ten, 20 or 50 percent on the available comparable sales? The answer Wendt gives is, in short, that this is a problem that the appraiser has to approach *qualitatively* with his or her expertise knowledge as an appraiser (Wendt, 1974 s. 97 ff.). To adjust for differences in attributes that affect the valuation and price formation process is part of the work description of an appraiser.

It is with a similar approach that the enterprise effect has to be adjusted for by the appraiser. It is today a recognized factor in the price formation process on the submarket for legal entities, and normally something that has to be accounted for by the appraiser when the valuation property is owned by a legal entity (Naturvårdsverket 2016 and Mark- och miljödomstolen Mål nr M 1816-17). The problem is how this adjustment should be done, and more precisely, with what percentage the appraisal should adjust the comparable sales from the submarket of physical entities. Should it be ten, 30 or some other percentage?

The answer to that question is similar to the answer Wendt has given about adjustments for sea views; it is very much up to the appraiser with his or her accumulated expertise to approach a percentage number to a large extent based on qualitative considerations. Of course, the appraiser can use statistical tools, and look into the sales that has actually taken place on any submarket of legal entities, but since it is in general very few sales, that are often geographically spread out over large areas, statistical tools cannot be the only or main approach to determine and decide the size of the enterprise effect.

In summary, the size of the enterprise effect will, to a large extent, be decided qualitatively by the appraiser based on all available information and the appraisers accumulated experience and market knowledge. As we will see below, it is a similar approach to the one described that the enterprise effect has been decided on by the Swedish (lower) courts.

4 Valuation and enterprise effect under regulatory expropriation: examples from lower court cases

There are two relatively recent lower court cases that can illustrate the problem of enterprise effect and how one can deal with it in an appraisal that aims to appraise a market value of the property owned by a legal entity. Both cases origins from a regulatory expropriation that was implemented when the two forestry owners, which were both legal entities, were denied a logging permission in an area classified as fjeld forest. Characteristics for this area are that the forest is usually very old and contains high environmental values such as old mature forest and habitats for endangered species. If the logging was going through, these values would be erased.

In a regulatory expropriation, the property owner might have a right to compensation. If compensation should be paid, it should, in short, be based on the market value or the market value decrease plus an add up of 25 %, i.e. the final compensation will be 125 % of the market value if the owner has a right to compensation.¹⁵

The main problem in the two cases is the same, namely how big the add-up for the enterprise effect should be. The court frames the problem in one of the cases as how big the percentage add-up should be on what the court calls a *normal and basic market value*, derived from the submarket of physical entities. That means that the appraiser first appraises a market value based on information from the submarket of physical entities, and then does a percentage add up to adjust for the enterprise effect and derives a market value if the valuation property was put on the submarket of legal entities.

In the first of the two cases, there was an appraiser expert witness specialized in forestry valuation that described that the market value, if the owner is a legal entity, is normally between 10-20 % above the market value then if the property is owned by a physical entity. In the other case, another expert witness described this as 20-30 % above the market value then if the property is owned by a physical entity. To assess the most probable selling price on the submarket of legal entities, one has to adjust with a percentage for the enterprise effect, according to both expert witnesses.

In both cases the court concludes that a general enterprise effect exists in all areas where the land acquisition act applies, but that the size of the effect has a variation depending on where in Sweden the property is located - it is normally higher in the south parts of the country than in the north parts. Further, the court also expresses that the size of the enterprise effect is very hard to determine in a single appraisal process since it is usually not possible to assess it through a statistical analysis.

Even though it is hard to assess the size as a percentage unit of the enterprise effect, the court states in their reasoning for the decision that the expert witnesses have proven that the effect is *at least* 10 % for the both properties, i.e. that the market value derived from the physical submarket should be enumerated by 10 % in these cases.

There are a few interesting aspects of the case, even though the courts motivation and reasoning towards the conclusion is very poor. One interesting aspect is that the court in the first case decides the effect is to the lower-end of the range, as stated by one of the expert witnesses, and says that it is proven that the enterprise effect is *at least* 10 % in that case. The court does not discard that the effect could possibly be higher, but the risk for the effect to not be higher than 10 % is allocated to the property owner.¹⁶ Further, it is noticeable is that the court reaches the same conclusion about the size of the effect in both cases.¹⁷

¹⁵ 4 ch. Section 1 Expropriation Act.

¹⁶ Similar risk distribution in NJA 2017 s. 261.

¹⁷ One of the cases got appealed to the next court instance. Before any decision was made by the court, the parties reached an agreement of the size of the enterprise effect. The size in the agreement is not known though, but it's likely that it was larger than 10 %.

5 Concluding remarks

The Land Acquisition Act is a very good example of how law affects economics and the markets of properties. In the situations when the act applies, the buyers with the highest purchasing power and valuation of a specific property are not allowed to acquire it. This has created two submarkets: one market for physical entities and one market for legal entities. However, properties on the submarket for legal entities are rarely traded. This creates an appraisal problem since there are no or few sales that can be used in the comparable sales method. To appraise a market value of a property on the submarket for legal entities, the appraiser therefore has to use comparable sales from the submarket of physical entities. In the valuation process, the appraiser has to adjust for differences between the submarkets and properties. The enterprise effect is one such adjustment that has to be accounted for, since the property would sell for a higher price when it's owned by a legal entity. Further, the appraiser has to do the adjustment with a qualitative approach and use all of his or her expertise and experience about the local market combined with appraisal theory. Appraisal described as a mix between science and art has never been more spot on.

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