

# International Property Markets Scorecard

Ghana Market Conditions – Desktop Survey August 2013



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## Scorecard Background & Information

The Scorecard reflects the status of the six Core Elements necessary for transparent and efficient property market development. Each Core Element includes three Lead Indicators that are further divided into Sub-Indicators. Colors signify the strength of institutions that support market development – very strong, strong and weak. No color indicates that institutions are very weak. Gray indicates more information is needed for an objective determination.

### Acknowledgement

The International Property Markets Scorecard Project is the latest development in the continued cooperative work between the Center for International Private Enterprise (CIPE) and the International Real Property Foundation (IRPF). The Scorecard derives from the work of an academic panel led by Richard Green, PhD., Director of the University of California's Lusk Center for Real Estate and the University of Denver, Burns School of Real Estate and Construction Management's Global Real Estate Project under the direction of Dr. Mark Lee Levine. Yuanqi Wang, a master student, majoring in Real Estate, at Johns Hopkins University, created this Ghana Scorecard as a summer internship at CIPE.

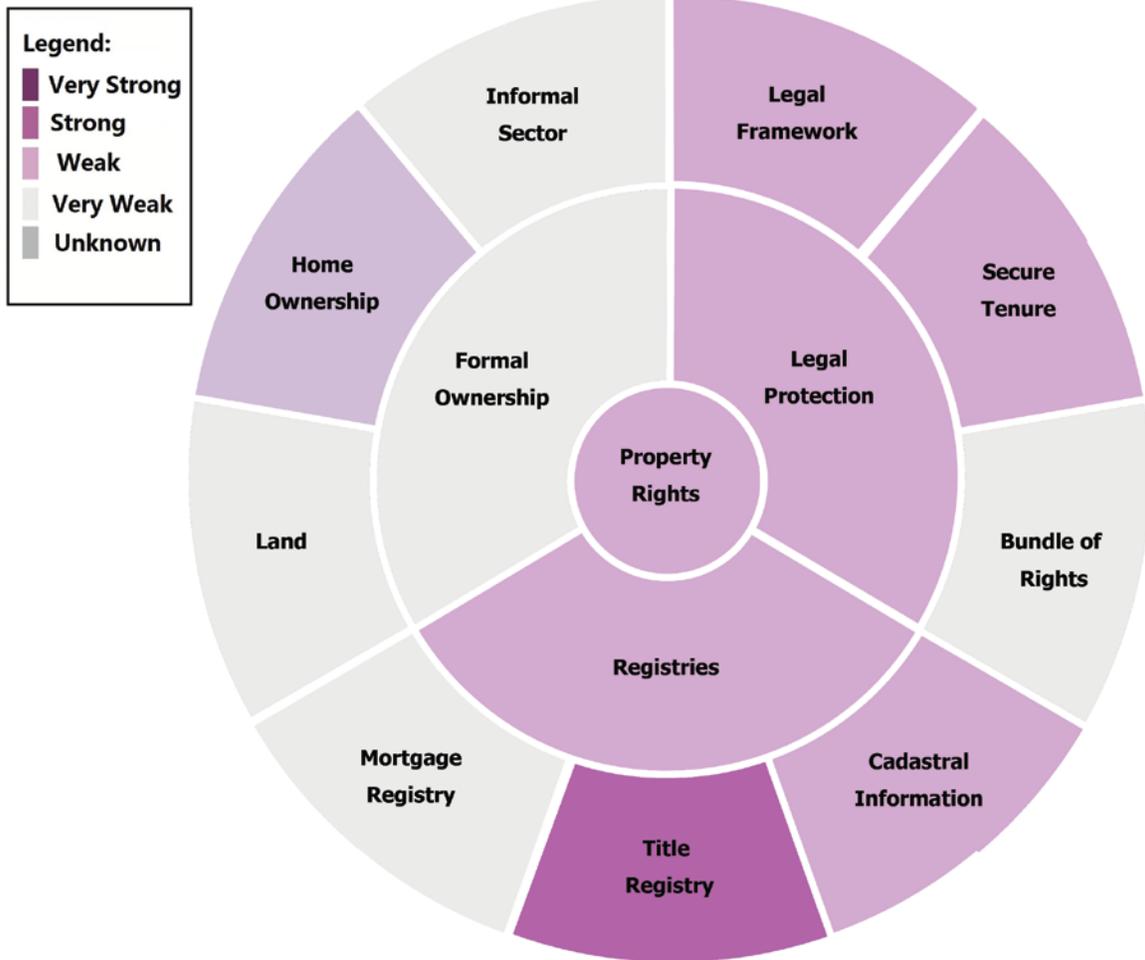
**Yuanqi Wang, a Masters Degree student from Johns Hopkins University contributed greatly to this research as a CIPE intern.**

### For Education Purposes Only

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# 1. Property Rights



**Goal – Property rights that are legally protected, secure, recorded in a single, accurate, widely accessible electronic registry and that lead to high levels of formal ownership for all citizens**

## 1.1 Legal Protection

Core Question:	Does an effective and sufficient legal framework exist to protect property rights for all citizens? <b>No – Weak, property rights are not clearly defined and protected by law, it is difficult for citizens to challenge the legality of government takings and citizens always need the government’s grant to make transfer, sublease and mortgage.</b>
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### Legal Framework

1.1.1 Are property rights clearly defined and protected by law? **No – Weak – Ranking 91<sup>th</sup> out of 144, Trend ↓ ; Score 3.86 out of 7**

### Security of Tenure

1.1.2 Can citizens challenge the legality of government takings? **No – Weak – Ranking 78<sup>th</sup> out of 144, Trend ↓ ; Score 3.51 out of 7**

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Source: *Global Competitiveness Index 2012-2013*, World Economic

Forum <http://www.weforum.org/issues/competitiveness-0/gci2012-data-platform/>

### Bundle of Rights

1.1.3 Survey Question

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SO1 What is the bundle of rights (group of rights such as occupancy, use and the right to sell or lease) associated with both residential and commercial property ownership? **Very Weak – Stool land (community land vested in the traditional chief or other community leaders on behalf of the tribe or ethnic group) is managed by the government, lease of land needs to be granted to a person owing allegiance to the Asantehene (tribal leader); people are not conferred a right to dispose of a land; president may authorize the occupation and use of land, and pay compensation considering the land value.**

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Source: Administration of Lands Regulations (Act No.123) <http://faolex.fao.org/docs/pdf/gha3115.pdf>

## 1.2 Registries

Core Question:	Does a reliable property registry exist including cadastral, title and mortgage lien information? <b>No – Weak, although the title registry does a good job, there is still not enough cadastral information</b>
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accessible to the public, and it takes a long time to get on the mortgage registry.

### 1.2.1 Cadastral Information

**Status – Weak – Although Ghana Institution of Surveyors has applied the GPS in creating the registry, the cadastral information is not accessible to the public, neither is the zoning information.**

#### Survey Questions

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- SQ 2 Is cadastral information (information about the dimensions and location of land parcels) accessible to the public? **No. Ministry of Lands and Natural Resources is in charge of cadastral information. But the information is not accessible to the public.**
- SQ 3 Is zoning/permitted use information included are use regulations respected and enforced? **No**
- SQ 4 Are Geographic Information Systems (GIS) including Global Positioning Satellite (GPS) information used to create and update the registry? **Yes, Land Surveying Division conducts Geomatics Engineering which includes GPS information.**
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Source: Ministry of Lands and Natural Resources, <http://www.ghana.gov.gh>  
Civil Society Resource: Ghana Institution of Surveyors <http://www.ghisonline.org/>

### 1.2.2 Title Registry

**Strong –Ranking – 64<sup>th</sup> out of 185 Trend ↓**

- 1.2.2.1 What is the number of procedures required to register the transfer of a property from one owner to another? **5**
- 1.2.2.2 What is the duration of time in calendar days that it would take to complete the transfer? **34**
- 1.2.2.3 What is the total cost of the transfer including all fees, taxes, etc. expressed as a percentage of the value of the property? **1.2%**
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Source – 2013 *Doing Business* – Registering Property, World Bank  
<http://www.doingbusiness.org/data/exploreeconomies/ghana#registering-property>

### 1.2.3 Mortgage Registry

**Status – Very Weak – In Ghana, with 2 land titling systems, there is much**

**uncertainty about the authenticity of titles. Lenders, though not required to do so, usually register property in the registries of both systems. That causes serious delays in the registration process.**

#### Survey Questions

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SQ 5 The mandatory use of notaries or similar officials slows down and adds cost to the process. Does a notary need to be involved in the registration process? **Yes**

SQ 6 Is information in the registry available electronically? **No**

SQ 7 Title insurance is indemnity insurance against financial loss from defects in title and from the invalidity or unenforceability of mortgage liens. Is title insurance available to lenders? **No**

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Source – *Financing Homes 2008*, World Bank and International Housing Finance Corporation  
<http://www.cipe.org/sites/default/files/publication-docs/Financing%20Homes%202008.pdf>

### 1.3 Formal Ownership

Core Question:	Do citizens understand and trust property rights institutions and avoid the informal sector? <b>No – Very Weak – Citizens have few rights to land, home ownership remains at a low level, and the percentage of informal sector is still high.</b>
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#### Survey Questions

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##### 1.3.1 Land

SQ 8 What is the status of land ownership? **Very Weak – Indigenous property rights institutions typically have a communal element: individual households have rights to use land that are derivative of the rights of some broader social group, and a representative of the social group (e.g., a chief or lineage head) regulates access to and transfers of land. Individual households thus do not own their land in the sense of an estate in fee simple under modern common law. Rather, the land is vested in the community, with the chief acting as a custodian.**

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Source: Ryan Bubb, "States, Law, and Property Rights in West Africa," 2011, [http://www.econ.yale.edu/conference/neudc11/papers/paper\\_250.pdf](http://www.econ.yale.edu/conference/neudc11/papers/paper_250.pdf)

### 1.3.2 Home Ownership

SQ 9 What is the percentage of formal home ownership? **45.4% – Weak, 54.6% of housing stocks do not meet the minimum quality requirement**

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Source: U.N. Habitat, [www.unhabitat.org/stats/Default.aspx](http://www.unhabitat.org/stats/Default.aspx)

### 1.3.3 Informal Sector

What is the percentage of services firms that report competing with unregistered or informal firms? **69.1% – Very Weak Formal Sector (2007)**

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Source: Enterprise Surveys Ghana

2007 <http://www.enterprisesurveys.org/Data/ExploreEconomies/2007/ghana#informality>

## In-Country Assessment Information

### Field Question (FQ) 1. What is the actual status of property rights and ownership for citizens?

In Ghana, customary land laws are legalized. Chieftaincy is the main institution for regulating land disputes, although this sometimes conflicts with state systems, especially in and around urban areas. The government aims to encourage a revival of the chiefs' customary justice and is piloting new Customary Land Secretariats for local land administration. There is also encouragement of Alternative Dispute Resolution Systems (ADRS) together with a Land Division of the High Court.

Source: *Land rights in Ghana and Côte d'Ivoire*, ID 21 natural Resources Highlights 6, April 2008, [http://r4d.dfid.gov.uk/PDF/Outputs/IDS/id21Land\\_6.pdf](http://r4d.dfid.gov.uk/PDF/Outputs/IDS/id21Land_6.pdf)

### FQ 2. What is the actual experience of transferring a property?

At first the Seller obtains a Title Transfer Form at the Land Title Registry. A search at the Land Registry is conducted to confirm rightful ownership. An attorney prepares the transfer document (transfer deed) which is signed by both the vendor and the purchaser and their witnesses. The Title Transfer form is duly executed and presented at the Land Registry.

Next, stamp Duty is assessed and paid at the Land Valuation Board. The buyer presents the deed of assignment to the Land Valuation Board. The property is inspected to ascertain its current open market value. The buyer pays Stamp Duty to the Land Valuation Board. The Stamp Duty Act of 2005 (Act 6S9) reduced the stamp duty from 2% to 0.5%. This Act states that for the conveyance or transfer on the sale of a property, the stamp duty is 0.25% where

the property value is less than GHC 10000. For properties valued between GHC 10000 and 50000, stamp duty is 0.5%, and for properties valued above GHC 50000, stamp duty is 1%.

Then, Submission of application form for Title Certificate and payment of processing fee at Land Title Registry.

The documentation shall include:

- (i) Application form
- (ii) Original and one copy of the deed of assignment, duly completed
- (iii) Land Certificate
- (iv) Company's certificate of incorporation

After that, the transaction must be published in the national weekly newspaper in order to issue Land Title Certificate. The fee for publication is GHC 25 for land the size of 0.25 acres or less. Where the Land Certificate is urgently required, the applicant has the option to choose what is known as "special publication". In that case, the amount payable is GHC 95. However, if the size of the land plot is above 1 acre (but less than 4 acres), the amount payable is GHC 125. If the size of the land plot is above 4 acres, the amount payable is 2% of GHC 25 on every 0.25 acre. The current position, however, is that where the size of the land is more than 4 acres, the amount payable is a flat rate of GHC 200.

Finally, the title Certificate is issued by the Land Title Registry.

The transaction is recorded on the Land Certificate, which is returned to the owner. The original of the deed of assignment, having been stamped to show that it has been registered, is also returned to the applicant. The Registry keeps a duplicate. The folio of the Register is filed and the transaction document is placed in the land parcel file.

The owner will use the property after the title is issued by Land Title (in areas covered by Land Title Registration) or when the Deed has been registered under the Deeds Registration Act and Development Permit granted by the Assembly. Most often property owners do not wait to go through these processes before making use of the land.

Source: *Registering Property in*

*Ghana*, <http://www.doingbusiness.org/data/exploreeconomies/ghana/registering-property/>

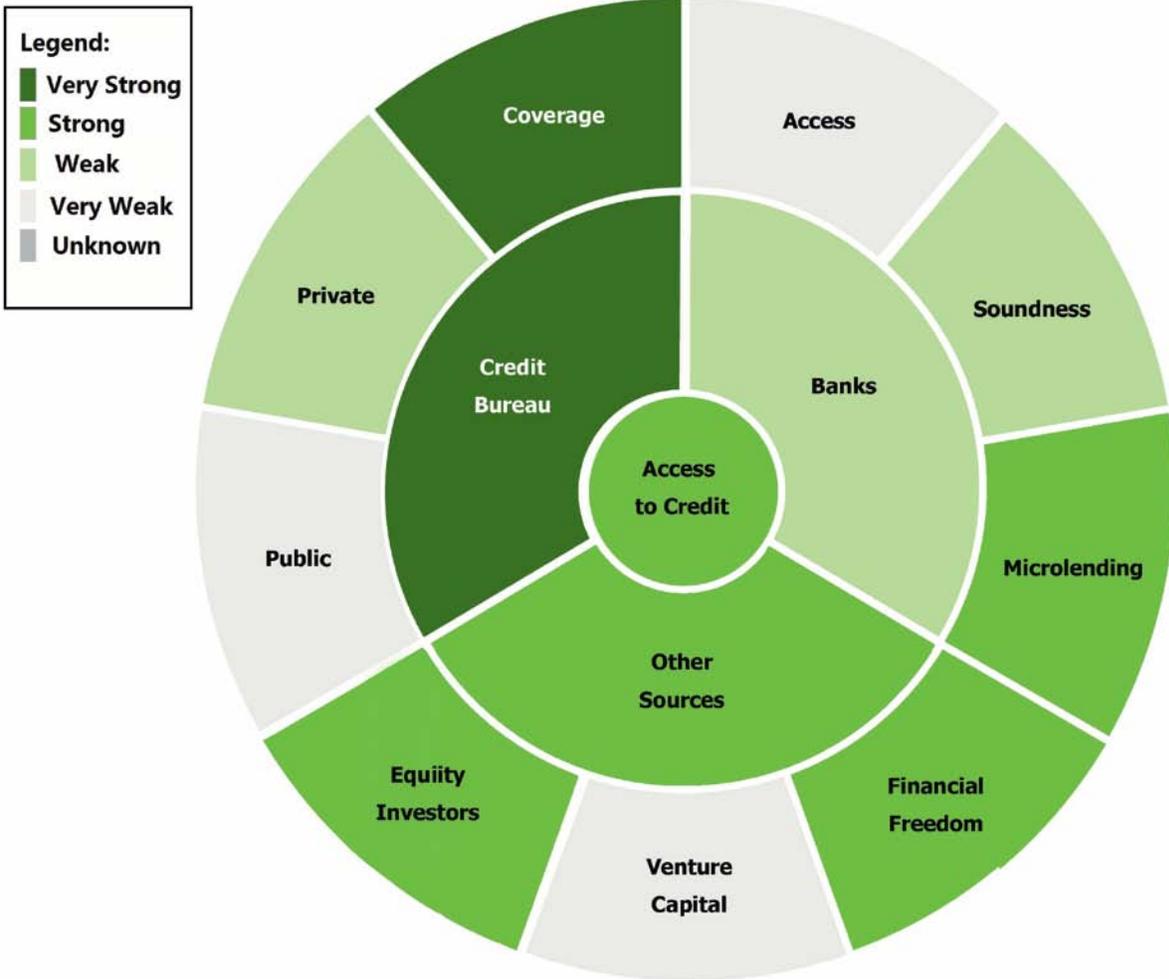
**FQ 3. What are the actual conditions for groups who lease property including small business, minorities and other marginalized groups?**

Ghana, as many African countries, maintains a plural system of land tenure, comprising mainly of the customary land tenure systems and the formal land administration systems, which often overlap and contradict each other. Generally, rural people, majority of whom are women, rarely have access to formal legal procedures due to the complexity and cost of procedures involved and the lack of awareness of legal provisions. As a result, their rights exist in a state of legal

limbo, which places them in a position of considerable insecurity with regard to their land rights. Women have limited resources and very little access to relevant information on their rights under the law, and are therefore often incapable of taking steps to assert their rights, especially when such rights are threatened by powerful developers with the full backing of political authorities or the local elite.

Source: *Governance, Land Rights and Access to Land in Ghana – A Development Perspective on Gender Equity*, Mechthild RÜNGER, GTZ Program Manager, Good Governance, [http://www.fig.net/pub/accra/papers/ts01/ts01\\_02\\_ruenger.pdf](http://www.fig.net/pub/accra/papers/ts01/ts01_02_ruenger.pdf)

## 2. Access to Credit



**Goal – An efficient, transparent financial sector that provides a broad range of citizens with access to multiple forms of competitive credit so that they can start businesses, build wealth, and purchase property**

## 2.1 Banks

Core Question: Are traditional banking services robust and extensive enough to serve the needs of the population to help them build wealth and purchase property? **No – Weak, although there are plenty of microfinance organization in Ghana, it is very difficult to obtain a bank loan and the country's bank services are far from sound.**

### Access

2.1.1 How easy is it to obtain a bank loan? **Very Weak – Ranking 125<sup>th</sup> out of 144; Score 2.03 out of 7, Trend ↑**

### Soundness

2.1.2 How sound are the country's banks? **Weak – Ranking 76<sup>th</sup> out of 144; Score 5.05 out of 7, Trend ↓**

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Source: *The Global Competitiveness Report 2012*, World Economic Forum  
<http://www.weforum.org/issues/competitiveness-0/gci2012-data-platform/>

### 2.1.3 Microlending Status – Strong

2.1.3.1 Microfinance allows citizens without traditional creditworthiness to build a credit history. How many microfinance institutions are operating in the country? **79**

<b>Credit - GHA</b>	<a href="http://www.procredit.com.gh">www.procredit.com.gh</a>
<b>First Allied Savings &amp; Loans</b>	<a href="http://www.firstalliedghana.com">www.firstalliedghana.com</a>
<b>Sinapi Aba Trust</b>	<a href="http://www.sinapiaba.com">www.sinapiaba.com</a>
<b>Unicredit Ghana Ltd.</b>	<a href="http://unicreditghana.com">unicreditghana.com</a>
<b>Opportunity International Savings and Loans - Ghana</b>	<a href="http://www.opportunityghana.com">www.opportunityghana.com</a>

2.1.3.2 What is the number of active borrowers per institution?

<b>Credit - GHA</b>	<b>0</b>
<b>First Allied Savings &amp; Loans</b>	<b>15,325</b>
<b>Sinapi Aba Trust</b>	<b>148,020</b>
<b>Unicredit Ghana Ltd.</b>	<b>62,525</b>
<b>Opportunity International Savings and Loans - Ghana</b>	<b>3,528</b>

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Source: Microfinance Information Exchange [www.mixmarket.org/mfi](http://www.mixmarket.org/mfi)

## 2.2 Other Sources

Core Question:	Are entrepreneurs free to raise capital outside the banking system including venture capital and/or by issuing stock in a well-regulated stock exchange? <b>Yes – Strong, although it is difficult for entrepreneurs to find venture capital, government exerts limited control over financial services and it is easy to raise money by issuing shares on the stock market.</b>
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### Financial Freedom

2.2.1 How much control does the government exert over financial services? **Strong for entrepreneurs – Score 60 out of 100 – Limited government control, Trend=**

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Source: 2013 *Index of Economic Freedom*, Heritage Foundation  
<http://www.heritage.org/index/country/ghana>

### Venture Capital

2.2.2 How easy is it for entrepreneurs to find venture capital?  
**Very Weak – 116<sup>th</sup> out of 144 Trend ↑ ; Score 2.09 out of 7**

### Equity Investors

2.2.3 How easy is it to raise money by issuing shares on the stock market? **Strong – 41<sup>st</sup> out of 144 Trend ↑ ; Score 4.03 out of 7**

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Source: *The Global Competitiveness Report 2012*, World Economic Forum  
<http://www.weforum.org/issues/competitiveness-0/gci2012-data-platform/>

## 2.3 Credit Bureau

Core Question:	Is comprehensive credit information available through public and private credit bureaus? <b>Yes – Very Strong, the comprehensive credit information is in great depth, although public or private credit registries are not extensive.</b>
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**Overall Ranking 23<sup>rd</sup> out of 185, Very Strong, Trend ↑**

### Coverage

2.3.1 What is the depth of information available in credit bureaus? **Very Strong – Score – 5 out of 6 with a higher number indicating more information is available**

## Public

2.3.2 What is the extent of public credit registry coverage? **Very Weak – No public credit bureau**

## Private

2.3.3 What is the extent of private credit registry coverage? **Weak – 5.7% of adults**

Source: *2013 Doing Business – Getting Credit*, World Bank

<http://www.doingbusiness.org/data/exploreeconomies/ghana/#getting-credit>

### In-Country Assessment Information

#### **FQ 4. How available are mortgage loans for purchasing property, who is the typical user and what are the prevailing trends?**

90% of Ghanaians cannot afford a mortgage to purchase a developer-built unit, only 5-8% can afford a house from their own resources; about 60% need financial assistance; 35% are not capable of owning or building a house in their lifetime. Between 12% and 15% comprising mainly top civil servants and staff of financial institutions have access to mortgage loans. For this reason, about 60% of the mortgage market participants are resident non-Ghanaians or non-resident Ghanaians.

Source: *The Mortgage Market In Ghana: The Past, Current And*

*Emerging*, <http://www.modernghana.com/news/467627/1/the-mortgage-market-in-ghana-the-past.html>

#### **FQ 5. What are the interest rates, term and loan-to-value ratios for available mortgages?**

##### **HFC Home Purchase Mortgage**

	Resident Ghanaians	Non-Resident Ghanaians (NRG)
Maximum Loan	Subject to customer's credit profile	Subject to customer's credit profile
Minimum Down Payment	20%	20%
Maximum Term	20 years	20 years
Process Fee	1.5% of proposed loan	USD250 /GBP150
Facility Fee	Nil	1% of proposed loan

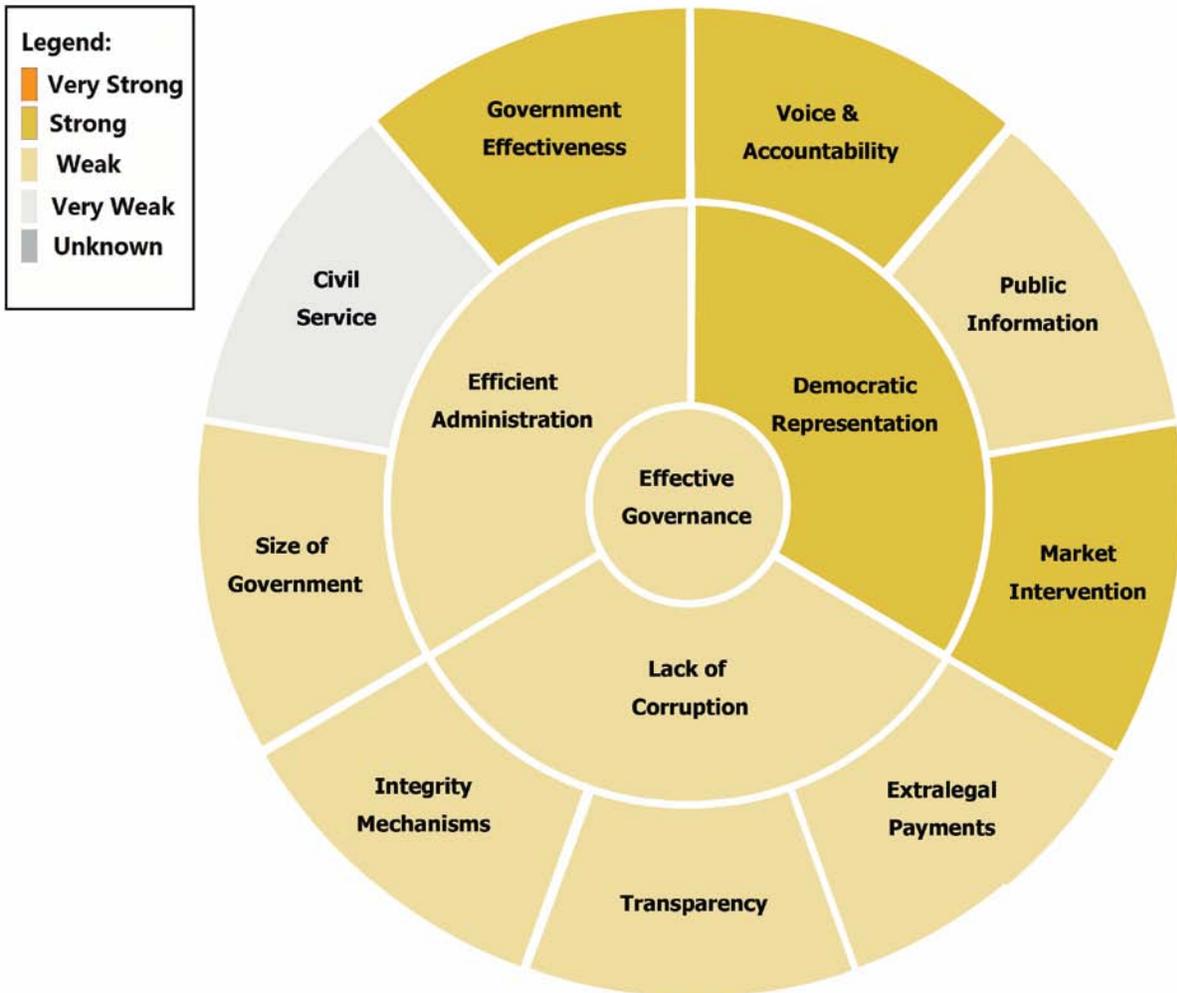
Source: **HFC BANK**, <http://www.hfcbank.com.gh/Mortgage-Banking/Mortgage-banking-1.aspx>

**FQ 6. Are there any informal barriers to borrowing such as for women or minorities?**

There are no formal barriers for women or minorities to borrowing, but women or minorities have limited resources and very little access to relevant information, which could lead to difficulties in obtaining mortgage.

Source: *Governance, Land Rights and Access to Land in Ghana – A Development Perspective on Gender Equity*, Mechthild RÜNGER, GTZ Program Manager, Good Governance, [http://www.fig.net/pub/accra/papers/ts01/ts01\\_02\\_ruenger.pdf](http://www.fig.net/pub/accra/papers/ts01/ts01_02_ruenger.pdf)

### 3. Effective Governance



**Goal – A popularly elected government free of corruption and functioning efficiently and transparently enough to guarantee economic freedom to individuals and support equitable property markets**

## 3.1 Democratic Representation

Core Question:	Does the country have free and open elections for the leadership and can citizens engage in free enterprise? <b>Yes – Strong, in Ghana, citizens are able to elect their government and freely express their opinions, and government’s intervention over market is limited.</b>
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### 3.1.1 Voice & Accountability

3.1.1.1 Are citizens able to elect their government and do they enjoy freedom of expression, association and a free media? **Yes – Strong – Percentile Rank – 62.4 Trend ↓ ;**

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Source: *Governance Matters 2011*; World Bank  
[http://info.worldbank.org/governance/wgi/sc\\_chart.asp](http://info.worldbank.org/governance/wgi/sc_chart.asp)

3.1.1.2 Are citizens free to form political and civic organizations free of state interference and surveillance? **Yes – Strong – Score 6.76 out of 10**

**Overall Ranking – 78<sup>th</sup> out of 167**

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Source: *The Economist Intelligence Unit Democracy Index 2012*, [https://www.eiu.com/public/topical\\_report.aspx?campaignid=DemocracyIndex12](https://www.eiu.com/public/topical_report.aspx?campaignid=DemocracyIndex12)

### 3.1.2 Public Information

**Overall Ranking –Weak; Score 60 out of 100**

3.1.2.1 Are there regulations governing conflicts of interest in the executive and legislative branches of government? **No – Executive Score 45 out of 100 –Very Weak; Legislative Score 49 out of 100 – Very Weak**

3.1.2.2 Can citizens access legislative processes and documents? **No – Score 8 out of 100 – Very Weak (2011)**

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Source: *Global Integrity Report 2011–*  
<http://www.globalintegrity.org/report/Ghana/2011/scorecard>

### 3.1.3 Market Intervention

**Overall Ranking – Strong 77<sup>th</sup> out of 177 Trend ↑**

3.1.3.1 To what extent does the government intervene in the private sector including state owned industries? **Score 52.5 out of 100 with a higher score indicating less intervention, government spending accounts for 39.8% of GDP.**

3.1.3.2 To what extent does the government control prices? **Score 64.8 out of 100 with a lower score indicating more control**

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Source: *2013 Index of Economic Freedom* – Heritage Foundation  
<http://www.heritage.org/index/country/ghana#limited-government>

### 3.2 Lack of Corruption

Core Question:	Is the public sector transparent and free of corruption? <b>No – Weak – Despite significant progress, obstacles remain, and particular institutions need development and reform. Property rights are poorly protected, and high levels of corruption persist due to overall weakness in the rule of law.</b>
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#### Transparency

3.2.1 What is the perceived level of corruption in the country? **Weak – Ranking – 64<sup>th</sup> out of 176; Score 45 out of 100 Trend ↑**

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Source: Corruption Perceptions Index 2012 Transparency International, <http://cpi.transparency.org/cpi2012/results/>

#### Integrity Mechanisms

3.2.2 A National Integrity System is a framework where the principle institutions that contribute to integrity, transparency and accountability in a society can address corruption in a systematic way. Does a National Integrity System exist? **Yes – Weak, a NIS Assessment was conducted in 2001 and hasn't been conducted recently**

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Source: Transparency International  
[http://archive.transparency.org/policy\\_research/nis/nis\\_reports\\_by\\_country](http://archive.transparency.org/policy_research/nis/nis_reports_by_country)

#### Extralegal Payments

3.2.3 How often do companies report that officials and/or companies expect additional payments to “expedite” services or gain business? **38.8% of firms say they are expected to make unofficial payments – Weak**

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Source: *Enterprise Surveys*, World Bank, 2007  
<http://www.enterprisesurveys.org/Data/ExploreEconomies/2007/ghana>

### 3.3 Efficient Administration

Core Question:	Are quality services and qualified civil servants available to the public through the efficient use of public money free of corruption? <b>No – Weak, although government is relatively effective, the government spending is an overly burdensome percentage of GDP and the quality of civil service is poor.</b>
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## Size of Government

3.3.1 What is the size of government relative to GDP? **39.8% – Weak 25-30% considered optimum.**

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Source: *2013 Index of Economic Freedom*, Heritage Foundation  
<http://www.heritage.org/index/country/ghana>

## Civil Service

3.3.2 What is the quality of the civil service? **Very Weak – Score 43 out of 100**

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Source: *2011 Global Integrity Report* –  
<http://www.globalintegrity.org/report/Ghana/2011/scorecard>

## Government Effectiveness

3.3.3 What is the overall effectiveness of the government? **Strong – Percentile Ranking – 53.6 Trend ↓**

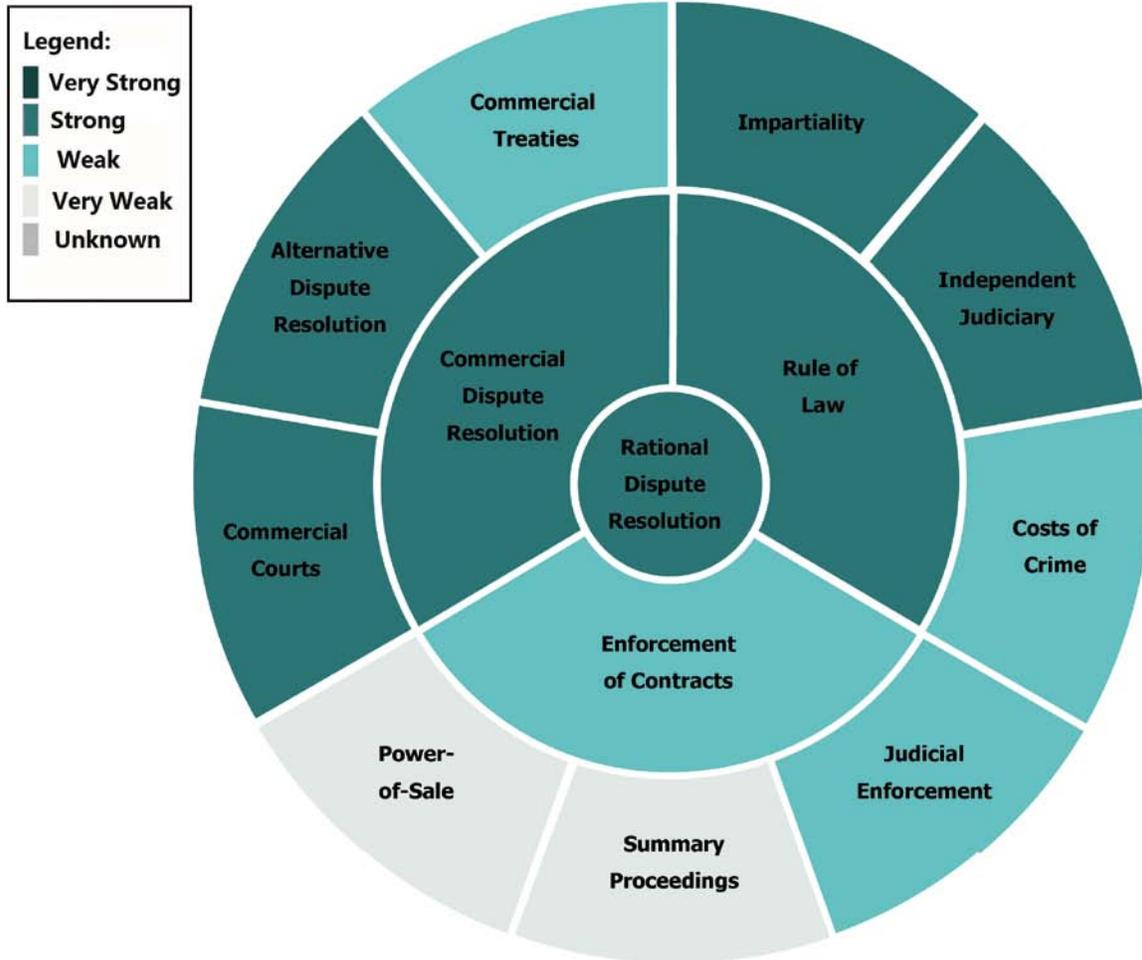
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Source: *2011 Governance Matters*, World Bank  
[http://info.worldbank.org/governance/wgi/sc\\_chart.asp](http://info.worldbank.org/governance/wgi/sc_chart.asp)

## In-Country Assessment Information

**FQ 7. What is the actual experience of practitioners in dealing with the government?**

## 4. Rational Dispute Resolution



**Goal – An efficient institutional framework that balances the rights of the public, owners, lenders and borrowers in the event of a dispute or loan default**

## 4.1 Rule of Law

Core Question:	Do all market participants abide by the rule of law and have confidence in the courts and the ability of police to control crime? <b>Yes – Strong, while the business cost of crime and violence is relatively low, the police and judicial system are reasonably strong.</b>
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### Impartiality

4.1.1 What is the confidence level of the strength and impartiality of the police, courts and contract enforcement? **Strong – Percentile Ranking – 54.5 Trend ↑**

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Source: *2011 Governance Matters*, World Bank  
[http://info.worldbank.org/governance/wgi/sc\\_chart.asp](http://info.worldbank.org/governance/wgi/sc_chart.asp)

### Judiciary

4.1.2 Can members of the judiciary be held accountable for their actions? **Yes– Score 78 out of 100 – Strong**

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Source: *2011 Global Integrity Report* –  
<http://www.globalintegrity.org/report/Ghana/2011/scorecard>

### Costs of Crime

4.1.3 What are the business costs of crime and violence? **Ranking 94<sup>th</sup> out of 144 – Score 4.4 out of 7, Weak**

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Source: *The Global Competitiveness Report 2012-2013*, World Economic Forum  
<http://reports.weforum.org/global-competitiveness-report-2012-2013/#>

## 4.2 Enforcement of Contracts

Core Question:	Are systems in place for timely and efficient enforcement of contracts? <b>Commercial – No – Weak</b> <b>Residential – No – Very Weak</b>
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### 4.2.1 – Judicial Enforcement

**Commercial – Weak – Ranking 98<sup>th</sup> out of 185 Trend ↓**

4.2.1.1 What is the number of procedures involved in resolving a commercial dispute?  
**40**

4.2.1.2 What is the time between the filing of a lawsuit and resolution in judicial enforcements? **457 days**

4.2.1.3 What is the cost of judicial enforcements as a percentage of claim value? **32%**

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Source: *Doing Business*

2013 <http://www.doingbusiness.org/data/exploreeconomies/nigeria#enforcing-contracts>

SQ 10 What is the time between notice of intent to foreclose and loan collection in judicial enforcements? **706 days – Very Weak**

SQ 11 What is the cost of judicial enforcements as a percentage of property value? **10.88% – Weak**

#### 4.2.2 – Summary Proceedings

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SQ 12 Summary proceedings are alternative dispute resolution processes where creditors can apply for a direct court order in property disputes. What is the time between notice of intent to foreclose and loan collection in summary proceedings if available to lenders? **Not available – Very Weak**

SQ 13 What is the cost of summary proceeding if available to lenders as a percentage of property value? **Not available – Very Weak**

#### 4.2.3 – Power-of-Sale

SQ 14 What is the time between notice of intent to sell and loan collection for power-of-sale agreements if available to lenders?

SQ 15 What is the cost of power-of-sale agreements if available to lenders as a percentage of property value? **Not available – Very Weak**

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Source – *Financing Homes 2008*, World Bank and International Housing Finance Corporation <http://www.cipec.org/sites/default/files/publication-docs/Financing%20Homes%202008.pdf>

### 4.3 Commercial Dispute Resolution

Core Question:	Can commercial disputes be resolved efficiently and fairly without exorbitant expense and delay? <b>Yes – Strong, the establishment of commercial court in Ghana shortened delays to commercial dispute resolution and there are extensive Alternative Dispute Resolution mechanisms in Ghana.</b>
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Survey Questions

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#### 4.3.1 Commercial Courts

SQ 16 Do specialized commercial courts exist for the handling of property disputes and foreclosures? **Yes – Strong, the first commercial division at the High Court was established in Accra, Ghana. It was the reform that not only shortened delays to commercial dispute resolution but also instilled new spirit in Ghana's justice sector.**

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Source: Ghana: Establishment of commercial courts, <http://www.doingbusiness.org/reports/case-studies/smart-lessons/establishment-of-commercial-courts-in-ghana>

#### 4.3.2 Alternative Dispute Resolution

SQ 17 Are alternative dispute resolution mechanisms in place including commercial arbitration, private mediation and community based processes? **Yes-- Strong – a member of the New York Convention, the National Labor Commission (NLC) and the Ghana Arbitration Centre are the main bodies that operate as centers for Arbitration practice.**

Source: *Alternative Dispute Resolution In Ghana*, <http://www.mediate.com/articles/adjabengs3.cfm>

#### 4.3.3 Commercial Treaties

SQ 18 What bilateral, regional and international commercial treaties exist concerning business between countries? **Weak – a member of WTO, the Economic Community of West African States (ECOWAS)**

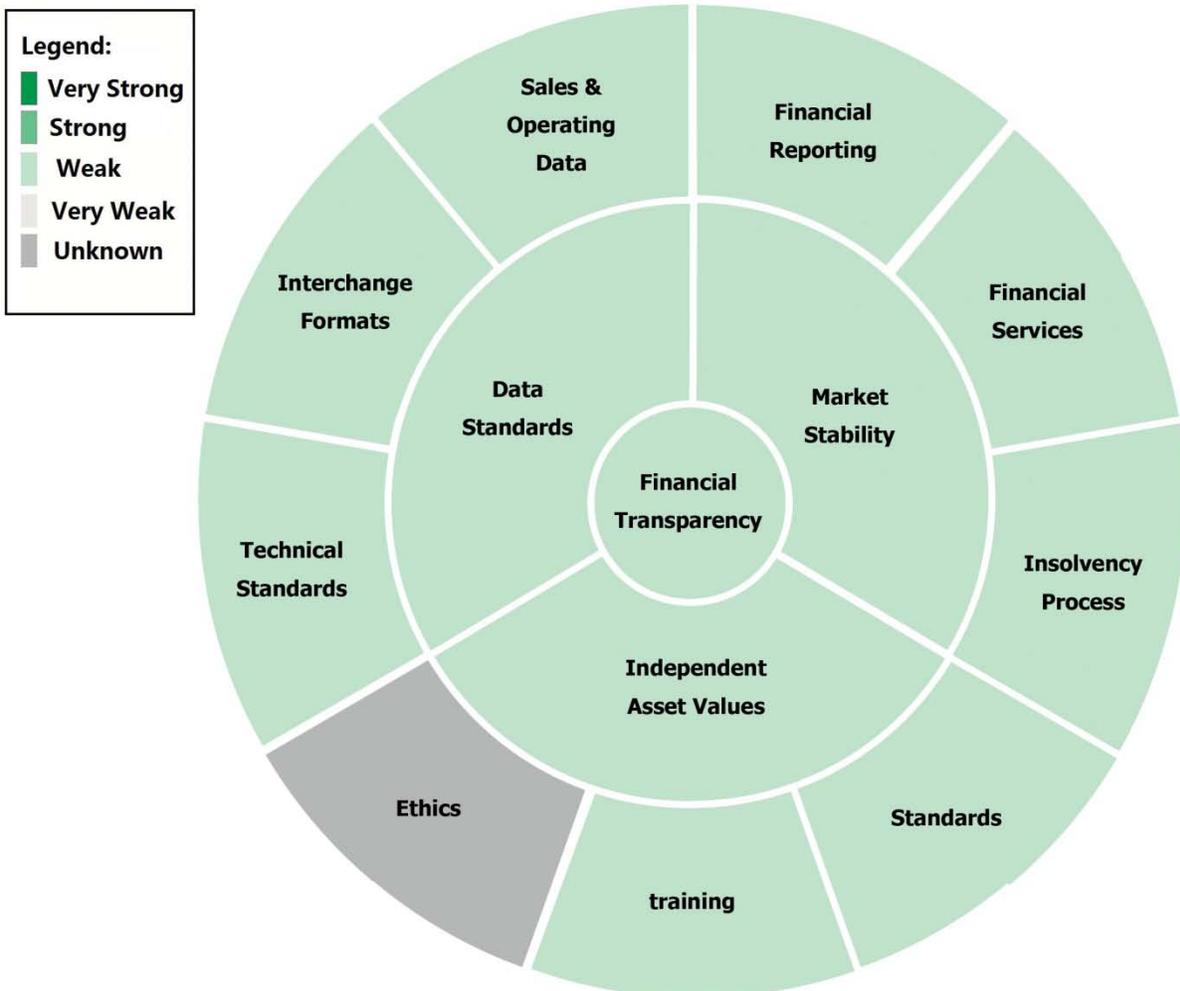
Source: [http://www.wto.org/english/thewto\\_e/whatis\\_e/tif\\_e/org6\\_e.htm](http://www.wto.org/english/thewto_e/whatis_e/tif_e/org6_e.htm)

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#### In-Country Assessment

**FQ 8. To what extent do practitioners report the use of formal contracts and trust institutions to support contract enforcement?** Unknown

## 5. Financial Transparency



**Goal – A well developed and transparent financial system that includes strong supporting institutions and highly trained and ethical professionals that contribute to effective financial intermediation and deep and broad access to capital and financial services**

## 5.1 Market Stability

Core Question:	Are market risks sufficiently transparent and diversified so that efficient capital allocation can occur? <b>No – Weak – development remains hindered by bureaucracy and a cash-based economy and it takes long to resolve insolvency.</b>
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### 5.1.1 Financial Reporting

What is the strength of the country's auditing and reporting standards? **Weak – 79<sup>th</sup> out of 144; Score 4.43 out of 7**

### 5.1.2 Financial Services

Does the financial sector provide a wide variety of financial services to businesses? **Weak – 85<sup>th</sup> out of 144; Score 4.29 out of 7**

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Source: *The Global Competitiveness Index 2012-2013 data platform*, World Economic Forum <http://www.weforum.org/issues/competitiveness-0/gci2012-data-platform/>

### 5.1.3 – Insolvency Process

**Weak – Ranking – 114<sup>th</sup> out of 185 Trend ↑**

5.1.3.1 What is the average time to complete bankruptcy proceedings? **1.9 years**

5.1.3.2 What is the cost of bankruptcy proceedings as a percentage of the estate? **22%**

5.1.3.3 What is the recovery rate of bankruptcy proceedings? **26.9 cents on the dollar**

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Source: *Doing Business 2013 – Resolving Insolvency* <http://www.doingbusiness.org/data/exploreeconomies/nigeria#resolving-insolvency>

## 5.2 Independent Asset Valuers

Core Question:	Do trained, independent and ethical asset valuers exist for all types of assets? <b>No – Weak, valuers are primarily trained as land economists.</b>
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### Survey Questions

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#### 5.2.1 Standards

SQ 19 How easy is it to find a valuer who implements International Valuation Standards? **Weak – Ghana does not currently have a member of IVSC.** *Civil Society Resource: Ghana Institution of Surveyors [www.ghisonline.org/](http://www.ghisonline.org/)*

## 5.2.2 Training

SQ 20 What is the level of training of valuers? **Weak – Valuers are primarily trained as land economists.**

## 5.2.3 Ethics

SQ 21 Are opinions offered by valuers free of influence from parties to the transaction?  
**Unknown**

## 5.3 Data Standards

Core Question:	Is accurate property information available electronically in formats that are consistent with international standards? <b>No – Weak, Commercial internet sites are prevalent.</b>
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### Survey Questions

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#### 5.3.1 Sales & Operating Data

SQ 22 A multiple listing service is an electronic exchange system where brokers and agents can widely share contracted real estate listings of properties that are for sale. Do multiple listing type services exist? **Yes, Weak - multiple listing type services exist but are not uniform.**

Source: New Ghana Property, <http://ghanaproperty.org/>

SQ 23 Do resources exist for obtaining building income and expense estimates? **No – Very Weak**

#### 5.3.2 Interchange Formats

SQ 24 Do electronic data interchange formats conform to international standards (eXML – electronic business using extensive markup language)? **No – Weak, a majority of transactions are paper based**

#### 5.3.3 Technical Standards

SQ 25 Do building codes and office building measurement standards (ANSI/BOMA Z65.1) conform to international standards? **No –Weak, National Building Regulation passed but did not conform to international standards.**

Source: National Building

Regulations, [http://www.ghanadistricts.com/home/?\\_=48&sa=4709](http://www.ghanadistricts.com/home/?_=48&sa=4709)

## **In-Country Assessment**

### **Market Stability**

**FQ 9. How stable has the property market been over the last several years?**

### **Valuation Profession**

**FQ 10. How many independent valuers exist in the market?**

**FQ 11. How many companies exist and what is the average size of valuation companies?**

**FQ 12. What are the valuation standards and do they conform to international and regional standards?**

**FQ 13. What valuation methods and techniques are used in the market?**

**FQ 14. Are there valuer associations in the market? What number and percentage of practitioners belong?**

**FQ 15. What training programs are available to upgrade the quality of valuers?**

**FQ 16. Are peer review mechanisms in place to assist in enforcing ethical behavior?**

**FQ 17. What is the quality of valuation reports?**

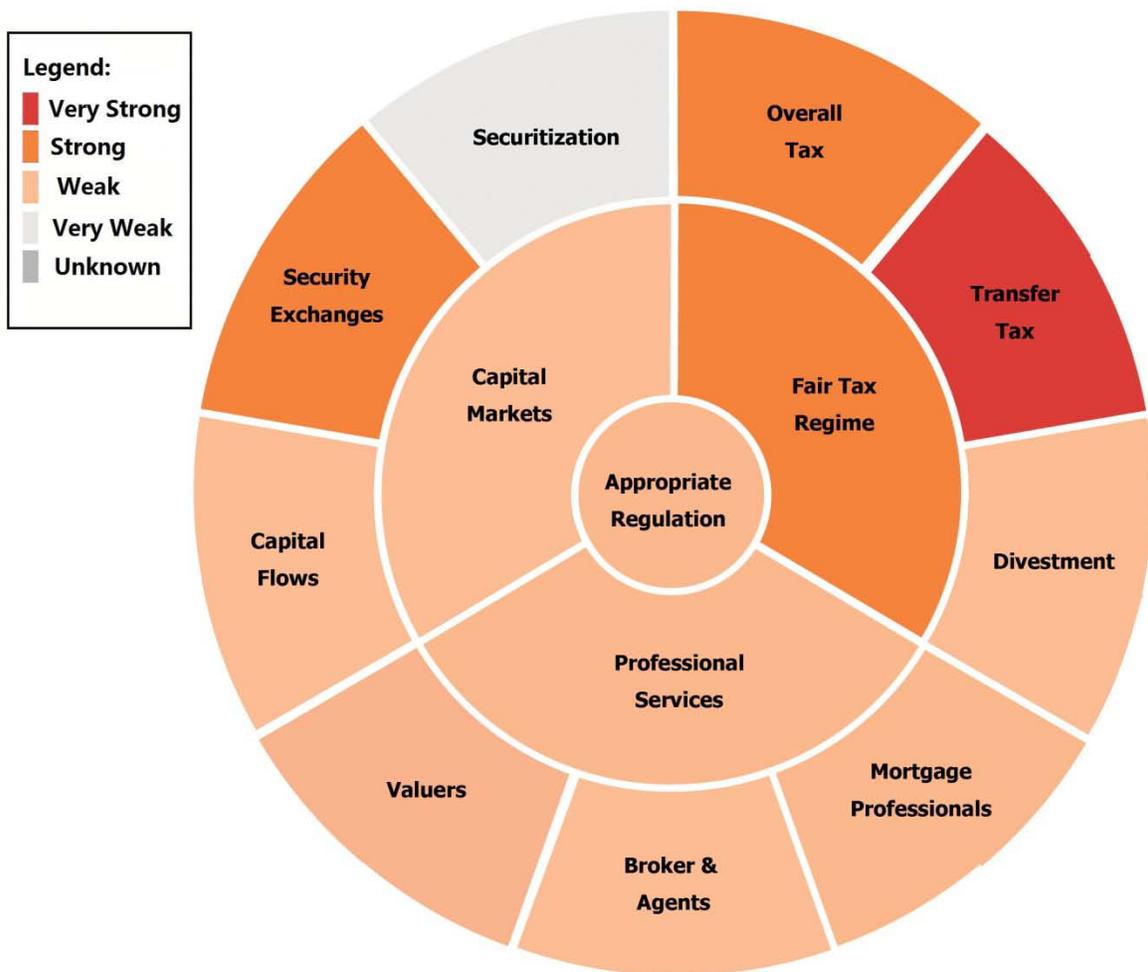
### **Data Availability**

**FQ 18. What is the status of proprietary data bases that include property information?**

**FQ 19. What is the status of existing data sharing mechanisms for properties that are for sale?**

**FQ 20. Do valuers have an established data sharing mechanisms?**

## 6. Appropriate Regulation



**Goal – A comprehensive regulatory regime that is transparent, efficient, simple in its implementation and that leads to accurate reporting of property values and prudent protection from market risks**

## 6.1 Fair Tax Regime

Core Question:	Do market participants feel the overall tax rate is fair and participate in formal transactions? <b>Strong – the tax rate is moderate.</b>
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### Transfer Tax

6.1.1 What is the total property transfer tax including all duties and payments? **Very Strong – 1.2%**

### Overall Tax

6.1.2 What is the overall tax rate on entrepreneurs? **33.5% – Ranking – 89<sup>th</sup> out of 185 process is time consuming, Strong – Trend ↓**

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Source: *Doing Business 2013* – Paying Taxes & Registering Property, World Bank  
<http://www.doingbusiness.org/data/exploreeconomies/ghana#paying-taxes>

### 6.1.3 Divestment

Survey Question

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SQ 26 What is the tax on profits for foreign investors when divesting property? **Strong – the Capital Gains tax is 15%**

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Source: [http://www.gra.gov.gh/index.php?option=com\\_content&view=article&id=41&Itemid=46](http://www.gra.gov.gh/index.php?option=com_content&view=article&id=41&Itemid=46)

## 6.2 Professional Services

Core Question:	Are the professional services necessary for efficient and transparent property markets available and appropriately regulated and supervised? <b>No – Weak, although professional services have improved to a large extent in recent years.</b>
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### 6.2.1 Asset Valuers

Survey Questions

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SQ 27 Are property valuers licensed and/or certified by the government? **Yes – Weak**

SQ 28 How effective are mechanisms in place to discipline valuers who engage in misconduct?  
**Unknown**

### 6.2.2 Brokers & Agents

Survey Questions

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SQ 29 Are real estate brokers and agents licensed and/or certified by the government? **Yes – Weak– there are a large number of informal agents**

SQ 30 How effective are mechanisms in place to discipline brokers or agents who engage in misconduct? **Weak**

### 6.2.3 Mortgage Professionals

#### Survey Questions

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SQ 31 Are mortgage professionals licensed and/or certified by the government? **No – Weak**

SQ 32 How effective are mechanisms in place to discipline mortgage professionals who engage in misconduct? **Unknown**

### 6.3 Capital Markets

Core Question:	Are capital markets well-regulated and diversified enough to provide financial resources to private-sector entrepreneurs and innovators? <b>No – Weak, The overall investment regime lacks efficiency and transparency and the banking sector is undercapitalized.</b>
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#### Capital Flows

6.3.1 What are the business impacts of rules on Foreign Direct Investment? **Weak – Ranking 74<sup>th</sup> out of 144; Score 4.61 out of 7**

#### Security Exchanges

6.3.2 Is the regulation of securities exchanges transparent, effective and free of influence from government and industry? **Yes – Strong, Ranking 47<sup>th</sup> out of 144; Score 4.55 out of 7**

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Source: *The Global Competitiveness Index 2012-2013 data platform*, World Economic Forum  
<http://www.weforum.org/issues/competitiveness-0/gci2012-data-platform/>

#### Securitization

6.3.3 What is the depth of asset-backed securities, mortgage-backed securities, high-yield bonds and highly leveraged loans? **Very Weak –**

<b>In-Country Assessment</b>
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<b><u>Taxation</u></b>
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<b>FQ 21. What is the overall taxation system in regards to property?</b>
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**Brokerage**

- FQ 22. What is the number of practitioners in the country including full-time brokers/agents with formal training and part-time, informal brokers?**
- FQ 23. What is the number and average size of brokerage companies?**
- FQ 24. Are there brokers associations active in the market? What number and what percentage of practitioners belong?**
- FQ 25. What training programs are available to enhance productivity?**
- FQ 26. Is there a Code of Ethics or standards that practitioners follow? Is the Code enforced?**
- FQ 27. Do civil society organizations exist to support the development of mortgage professionals?**