

Challenges in Asset Valuation: Pilot Survey on Measuring Asset Ownership and Entrepreneurship from a Gender Perspective GEORGIA



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Valuation in EDGE

- Asset valuation: one of the important aspects for the EDGE project
- The survey attempted at
 - i) collecting data on asset valuation
 - ii) assess feasibility of such data collection
- Market prices data was collected for core assets
- Additional valuation questions were asked
- Separate modules were dedicated to financial assets and valuables

Valuation Questions

	ID	ID	ID	ID	ID	ID	ID	ID	ID	ID
310. Do dwelling owners <u>sell</u> dwellings in or around this community?										
YES, DWELLING OWNERS SELL..... ..1 NO SALES TRANSACTIONS.. ..2 ►312 DO NOT KNOW....98 ►312										
311. Are you informed regarding the value of recent dwelling <u>sales</u> transactions?										
INFORMED OF TRANSACTIONS1 NOT INFORMED OF TRANSACTIONS2										
312. If this dwelling and the plot of land on which it is located were to be <u>sold</u> today, how much could be received for it?										
ESTIMATE VALUE IN GEL. RECORD 97 IF REFUSE TO ANSWER. RECORD 98 IF DO NOT KNOW. IF CODE 97 OR 98 IN Q312 ► 313 IF THE ESTIMATED VALUE OF ASSET IS OBTAINED IN Q312 ► 314										
313. (What would it cost to construct this dwelling today including the cost of the plot of land on which the dwelling (PRIVATE HOUSE) is located?										
ESTIMATE VALUE IN GEL RECORD 97 IF REFUSE TO ANSWER. RECORD 98 IF DO NOT KNOW.										
314. If this dwelling were to be sold today, who would decide how the money is used?										
LIST ALL ADULTS FROM THE HOUSEHOLD. ADD ADDITIONAL SPACE FOR LISTING IDs, IF REQUIRED. IF SOMEONE FROM OUTSIDE OF THE HOUSEHOLD WOULD DECIDE, ENTER CODE "99", IN ADDITION TO ID(S) OF HOUSEHOLD MEMBER(S).										
	ID	ID	ID	ID	ID					

Valuation: Dwellings

- The analysis of results related to asset valuation was confined to dwellings
- It turned out that by *reported ownership* 51.5% of wealth in terms of dwellings was attributable to men
- In the case of *documented ownership* the men's share of wealth stood at 65%
- Much higher disparity was observed in rural areas: 59.1% of wealth belonged to men as reported owners, while the wealth gap for documented owners was much bigger standing at 73.9%

Valuation: Challenges

- Valuation proved to be an extremely complicated aspect of the survey as:
 - Respondents were not aware of market transactions
 - Respondents could not assess the construction cost of similar dwellings
 - Respondents were not willing to disclose the value
 - Specific issues: vulnerable groups and sensitive perception of valuation questions

- The most difficult questions were related to financial assets and valuables.

Valuation: Challenges

➤ As a result:

- The level of missing values was more than 50% for all types of core assets
- The percent of missing values was even higher for construction cost values
- The percent of missing values was higher i) in rural vs. urban areas and ii) among women vs. men
- The extremely low incidence of financials and valuables indicated that different approaches need to be applied for this type of assets



Valuation: Lessons

- Based on the EDGE experience:
 - Interviewers' training should include topics dealing with sensitivity of asset valuation
 - For sensitive questions (such as financial assets) offering ranges as possible answers vs. exact amounts (e.g. on bank accounts, cash at home, etc.) could lead to better responses
 - Use of external sources of information (e.g. market transactions on dwellings, land prices from the public register) needs to be explored for missing markets

Thank you!