

Recent South Caucasus Court Cases

AI TRANSLATED TO ENGLISH FROM GEORGIAN, ARMENIAN AND AZERBAIJANI

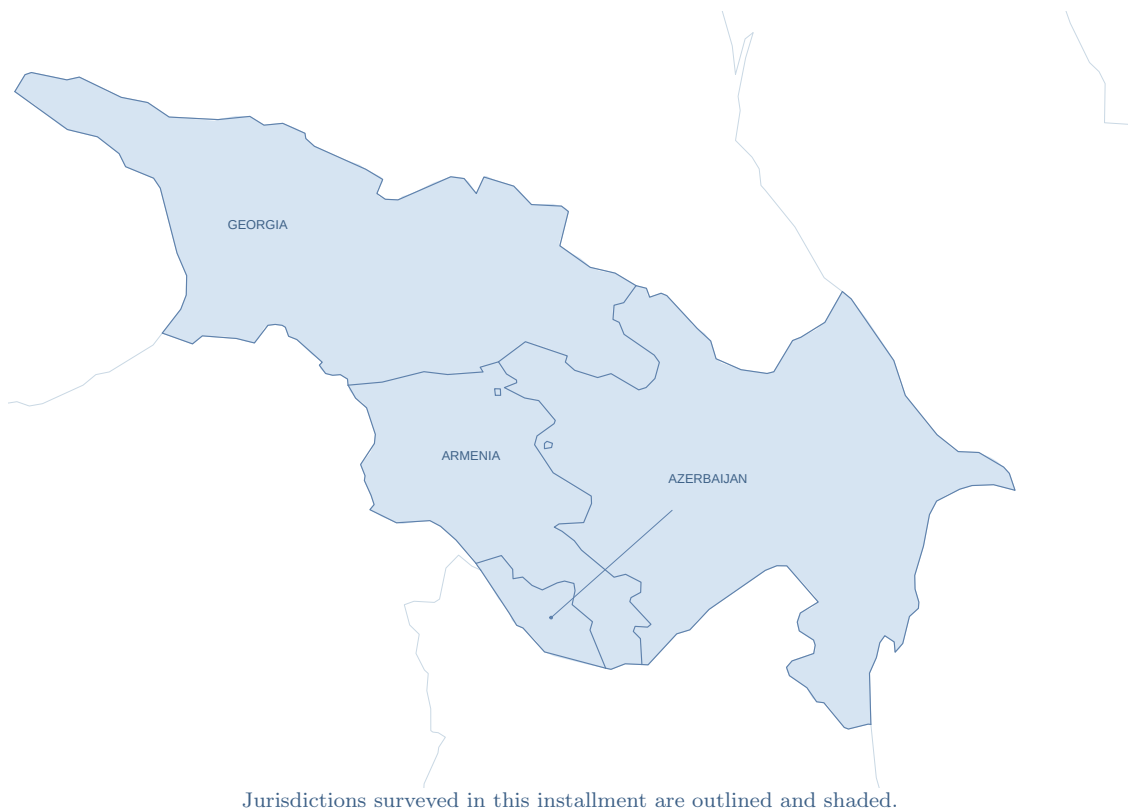
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Recent Court Decisions • The Valuation Engineer

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Notice to readers. These summaries are the Journal's own descriptions of court decisions and legal instruments, written for valuation professionals. They are not legal advice. Where the understanding of a decision or a provision is critical to a matter, the reader should consult the official text and obtain advice from a lawyer qualified in the jurisdiction concerned. Many of the sources were written in languages other than English and were read in machine translation, which can be in error; each such item is marked, and its original-language source is linked so that it can be checked.



Scope and Sources

This installment concerns the valuation of interests in real property in the three states of the South Caucasus. Its weight falls on compulsory acquisition — expropriation, the taking of private property by the state, called eminent domain (or condemnation) in the United States — and on how the

compensation for it is fixed, because that is the part of the field these states report; the registration and cadastral material treated below belongs to the same subject and is not an excursion from it.

The South Caucasus comprises three sovereign states between the Black and Caspian Seas: Georgia, Armenia and Azerbaijan. All three are treated below. **Georgia** is a candidate for European Union membership; **Armenia** and **Azerbaijan** are not members. All three are members of the Council of Europe and parties to the European Convention on Human Rights, Article 1 of Protocol 1 of which protects property.

The *North* Caucasus — Dagestan, Chechnya, Ingushetia, North Ossetia–Alania, Kabardino-Balkaria, Karachay-Cherkessia, Adygea and Stavropol Krai — is not part of this installment: those are federal subjects of the Russian Federation, governed by the federal regime noted in this issue’s *Recent Russian Court Cases* (C11).

Provenance. Material read in a language other than English is marked at the point of use with a **Source** note linking the original; Georgian and Armenian terms are transliterated, with the original script retained in the department’s verification record. Anything this department says about a decision is its own summary in English, not a translation of the court’s words. Case citations and statutory references should be verified against the official report or gazette before any reliance.

Expropriation, Eminent Domain, and Condemnation

Including inverse condemnation. Just compensation, larger parcel, severance, project influence, stigma, and reasonably probable future use.

Three jurisdictions, three different statutory measures, and very little published case law. The country studies are kept whole under this heading; where no decision was located, that is a finding about what these states publish.

Georgia — market value, settled by agreement or fixed by the court

The statute. The governing act is the Law of Georgia of 23 July 1999, No 2349 — *outsilebeli sazogadoebrivi sachiroebisatvis sakutrebis chamortmevis tsesis shesakheb*, in the English translation published by the legislative herald “On the Procedure for the Expropriation of Property for Pressing Social Needs” — adopted by the Parliament of Georgia and published in the official gazette (LHG — the Legislative Herald of Georgia, the official state journal in which statutes are promulgated — 40(47), 11 August 1999). The consolidated text read here is the final consolidation of 13 June 2023, published on the official portal matsne.gov.ge together with an official English translation. A separate Organic Law of 11 November 1997, No 1054, “On the Procedure for Expropriation of Property upon the Urgent Necessity of Ensuring Public Needs”, governs the emergency track (martial law, disasters, epidemics), likewise on the basis of “full and fair compensation in advance”; it is not further treated here.

The constitutional anchor is Article 19 of the Constitution of Georgia. Its paragraph 3, as revised by the constitutional laws of 2017–2018: expropriation is admissible “in cases of pressing social need as directly provided for by law, based on a court decision or in the case of urgent necessity established by the organic law, provided that preliminary, full and fair compensation is paid. Compensation shall be exempt from any taxes and fees.”

The measure. The act defines compensation through market value. Article 1(f): compensation is “an advance, full and fair compensation . . . in return for the property expropriated from the owner by way of paying the sum of money or transferring other property having the same market value as the expropriated property” — *chamortmeuli qonebis sabazro ghirebulebis mkone skhva qonebis gadatsemit* (other property having the market value of the property taken). Article 6(2) turns the expropriator’s own valuation into a floor: the compensation “shall be full, fair and paid in advance, and shall not be less than the amount determined by the expropriator on the basis of evaluation”; property in kind may be substituted only with the owner’s consent, and the compensation is exempt from taxes and fees.

The date. The act contains no valuation-date provision (the valuation date being the date the value opinion speaks to). No article anchors the market value to the court decision, the transfer of possession, or any other moment; the only temporal rule is the crops rule noted below. The date question is left to the evaluation practice of the experts and the courts.

Who values. Three stages. Before negotiations the expropriator must, at its own expense and “with the assistance of an independent expert”, evaluate the property and determine the estimated compensation (Article 6(1)); the owner may engage other independent experts at his own expense. If the parties fail to agree “on the market value of the property and the amount of compensation”, either may sue in the court of relevant jurisdiction under the civil legislation (Article 8(1)), and the court may appoint an independent expert under the Civil Procedure Code, who reports “on the market value of the property to be expropriated” and of any property offered in exchange; “the final evaluation . . . shall be carried out by a court” on the basis of that opinion and the parties’ evidence (Article 9). The expropriator bears all expenses of the parties, including the costs of the proceedings and of the evaluation (Article 10).

What is left out of account. The act contains no scheme-disregard, betterment or set-off provision (a scheme disregard ignores value changes caused by the public project behind the taking — what US practice calls the project-influence, or scope-of-the-project, rule; betterment is the rise in value of the owner’s retained land caused by that project; and a set-off deducts that rise from the compensation): nothing directs that an increase or decrease in value caused by the expropriating project be left out of the valuation. Its only exclusion runs against the owner: under Article 11, agricultural land is valued with the standing crops, calculated by the income the owner would have received in the current economic year, but “if the sowing of agricultural lands is completed after the evaluation of the property, the value thereof shall not be taken into consideration” — the post-valuation value-manufacture exclusion familiar from other instruments in this survey.

Partial and connected property. There is no remainder-valuation formula. Article 6(4) requires the purchase proposal to include compensation also for property “the size, form and condition of which is insignificant, or is less valuable due to its non-feasibility, but which is related to the property to be purchased, and which is useless without such property” — connected property rendered useless by the taking is bought out with it.

Strasbourg note. In *Georgia v. Russia (IV)* (just satisfaction — the European Court of Human Rights’ separate compensation phase, under Article 41 of the Convention, after a violation has been found), no. 39611/18, a Chamber of the Second Section of that Court (“Strasbourg”; Committees and Chambers are its panels below the Grand Chamber) on 14 October 2025 ordered Russia to pay

Georgia EUR 253,018,000 in respect of some 30,000 victims of the “borderisation” of the administrative boundary lines (the erection of fences and other physical barriers along those lines), of which EUR 224,250,000 concerns the violations of Article 8 and of Article 1 of Protocol No. 1 found in respect of at least 23,000 ethnic Georgians cut off from homes, land and property. The department reports the award as a compensation-quantum datum only: it is a mass inter-state human-rights award computed per capita, not a product of domestic valuation law, and it does not bear on the statutory measure stated above. *Taganova and Others v. Georgia and Russia* (17 December 2024, nos. 18102/04 and others), on displaced homeowners in Abkhazia, is identified for the same reason and not treated. As context for both: Article 5(1) of the Law of Georgia on Occupied Territories (No 431 of 23 October 2008) declares any real-property transaction concluded within the occupied territories in violation of Georgian legislation void from the moment of its conclusion.

Georgia is a candidate for membership of the European Union, a member of the Council of Europe and a party to the European Convention on Human Rights; the measure of compensation is, as throughout this survey, a matter of national law.

Implication for appraisers. The Georgian instruction is a market-value instruction with an unusually open procedural frame. The expropriator’s expert valuation is a statutory floor, not a cap — compensation “shall not be less than” it — so the owner’s own expert evidence operates only upward. And because the act fixes no valuation date, the date is itself a matter for evidence and submission: in a rising market the difference between the expropriator’s early valuation and value at the court’s final evaluation is unregulated by the text, and the appraiser should state the date assumed and the sensitivity to it.

The cadastre closes. Georgia completed its program of systematic land registration on 1 January 2026. The National Agency of Public Registry records that, as at 1 December 2025, 2,094,707 parcels covering 1,101,570 hectares had been surveyed at no charge to the owner, that more than 1.4 million citizens became registered landowners in the course of it, and that cadastral coverage passed ninety-five percent. Registration since that date proceeds sporadically, on application.

Implication for appraisers. This is the most consequential Georgian development of the period for valuation practice, and it is administrative rather than judicial. A cadastre that covers substantially the whole country changes the evidentiary base: identification of the subject, of its boundaries and of comparable parcels ceases to be the obstacle it was, and a Georgian appraisal that still treats registered particulars as unreliable should say why in the individual case rather than as a general proposition. The qualification is that coverage is not the same as accuracy, and that parcels registered under a free systematic sweep were not each individually contested.

The Tbilisi commission, and the limits of cassation. In case № bs-1267(k-25), decided 18 March 2026, the Administrative Chamber of the Supreme Court rejected as inadmissible a cassation appeal brought by the Tbilisi Mayor’s commission that recognizes title to arbitrarily occupied land. The property was a plot of 367 square meters in the area of Kutaisi Street № 59. The decision is about the admissibility of the commission’s own recourse rather than about the measure of any compensation.

Tordia — the price of delay, again. In *Tordia and Others v. Georgia* (application 24060/23, 9 December 2025) the European Court of Human Rights found violations of Articles 6 and 13 where proceedings to restore property rights in Tbilaviasheni shares ran from 2 July 2013 to 8 August 2024, awarding EUR 2,300 to each applicant. The award is for the delay, not for the property; but

eleven years between claim and resolution is a fact about the forum in which a Georgian valuation opinion will be tested, and the Egyptian section in this issue makes the related point about what delay does to the figure itself.

Verification note — The provisions above were read in the official English translation and cross-checked against the Georgian consolidated text (final consolidation of 13 June 2023) on matsne.gov.ge, document 16480; Constitution Article 19 was read in the official English translation of the Constitution on the same portal (document 30346), and the Law on Occupied Territories at document 19132. The just-satisfaction judgment was verified on HUDOC (item 001-245255): the date is 14 October 2025 (not 13 October, as sometimes reported) and the total is EUR 253,018,000. Two items previously carried as unverifiable have since been checked against reachable primary sources and are reported above: the completion of systematic cadastral registration on 1 January 2026, read on the National Agency of Public Registry’s own announcement, and the Supreme Court’s decision in bs-1267(k-25), read on the Court’s portal. The related case bs-1138(k-25) of 26 February 2026 on systematic versus sporadic registration now has a reachable citation on the same portal but has not been read by this department. bs-1267(k-25) concerns admissibility and *Tordia* concerns delay; the Supreme Court decisions of 2025–26 that construe the compensation provisions of Law No 2349 are reported in the paragraphs that follow.

Source — Georgian, read in machine translation; original retained for the translated editions: autsilebeli sazoga-doebrivi sachiroebisatvis sakutrebis chamortmevis tsesis shesakheb (Law No 2349 of 23 July 1999), consolidated text with official English translation, Legislative Herald of Georgia, <https://matsne.gov.ge/en/document/view/16480>

Further sources — Supreme Court of Georgia, case № bs-1267(k-25), 18 March 2026, full text (official, read in Georgian): <https://www.supremecourt.ge/ka/fullcase/35124/0>; bs-1138(k-25): <https://www.supremecourt.ge/ka/fullcase/35059/0>; National Agency of Public Registry on completion of systematic registration (official, read in English): <https://www.napr.gov.ge/en/news/127>; *Tordia and Others v. Georgia*, application 24060/23: https://mezisoudy.cz/database-judikatury/detail-rozhodnuti/926efe72-d563-11f0-ab07-005056b43026_tordia-a-ostatni.

The court fixes the value, not the expert: *as-1172-2024*. Civil Chamber, 20 February 2026. The appellate court had taken market value from a National Forensic Bureau conclusion of November 2016 — 10 GEL a square meter, 40,000 GEL for a 4,000 square-meter plot — although a further Bureau conclusion of May 2019 gave 624,000 GEL for the land and 72,835 GEL for the buildings. Cassation quashed and remanded, restating the scheme of Articles 6 and 9 of the Expropriation Law: the expropriator values at market value through an independent expert, the owner may engage his own, the court may appoint one — and the court, not the expert, makes the final assessment.

Comparables out of period, and potential use: *as-746-2024*. 13 February 2025. A valuer’s (appraiser’s) comparison-based report was rejected because the transactions relied on fell outside the relevant period and the source of the prices could not be verified; fair compensation must reflect potential and not only current use; and the court “is not bound only by expert conclusions” but fixes fair value on the totality of the evidence.

The owner’s valuer preferred: *as-455-2025* and *as-366-2025*. In *as-455-2025* (19 June 2025) fair value was fixed at the owner’s figure of 11.62 GEL a square meter — 23,100 GEL for 1,993 square meters, supported by registry sale contracts of neighboring plots at about 27.8 GEL — against 9,532 GEL already paid; the court quoted the valuer’s own caveat that the report states a professional opinion at the valuation date and does not guarantee a sale price. In *as-366-2025* (26 September 2025) an offer of 50,040 GEL was displaced by evidence that the plot had been bought for 100,000 GEL and valued for mortgage purposes by an international firm at about the same figure; the cassation court described its own review object as “the fair and adequate value”.

Hazelnuts at 90 or 448 lari a plant: *as-43-2026*. 21 May 2026. The expropriator’s valuer put the plantings at 90 GEL a plant, the owner’s independent expert at 448; the appellate court awarded a further 75,912 GEL and the appeal was inadmissible. A five-fold divergence on a horticultural crop, resolved by preferring the independent expert.

Where the valuation is *not* decided. Four Administrative Chamber decisions of 2025–26 hold consistently that valuation and the amount of compensation are not examined in the administrative case granting the right to expropriate: under Article 8(1) either party sues in civil proceedings. And in *bs-482(k-25)* (29 January 2026) the court accepted that a Bakuriani building restriction with a conditional coefficient of 0.4 “reduced the market value” and the liquidity of the plot.

Implication for appraisers. Georgia publishes more usable expropriation valuation reasoning than any other jurisdiction in this region, and the through-line is that the court treats every appraisal — the state’s, the owner’s, the forensic bureau’s — as evidence to be weighed rather than as an answer to be adopted. Twice in the period the owner’s own valuer prevailed outright.

Source — All read in the official texts of the Supreme Court of Georgia (in Georgian): <https://www.supremecourt.ge/fullcase/75925/1>; <https://www.supremecourt.ge/fullcase/75080/1>; <https://www.supremecourt.ge/fullcase/74785/1>; <https://www.supremecourt.ge/fullcase/75318/1>; <https://www.supremecourt.ge/fullcase/76380/1>; <https://www.supremecourt.ge/fullcase/35010/0>.

Armenia — market value plus a statutory fifteen percent

The statute. The governing act is the Law of the Republic of Armenia HO-185-N, adopted by the National Assembly on 27 November 2006, signed 12 December 2006 and in force since 30 December 2006 (official gazette HHPT — *Hayastani Hanrapetutyun Pashtonakan Teghekagir*, the Official Bulletin of the Republic of Armenia — 2006.12.20/64(519), art. 1306). Its original title — *Hasarakutyun yev petutyun karigneri hamar sepakanutyun otarman masin*, On the Alienation of Property for the Needs of Society and the State — was replaced by the amending law HO-405-N of 24 October 2018; the act is now titled *Hanrutyan geraka shaheri apahovman npatakov sepakanutyun otarman masin* — On the Alienation of Property for the Purpose of Ensuring the Overriding Interests of the Public. The text read here is the official incorporation in force from 17 February 2026 on the state legal portal arlis.am, whose most recent amendment is HO-28-N of 11 February 2026. Article 3 restates the constitutional conditions: alienation only in exceptional cases and by a procedure prescribed by law, and against “*nakhnakan yev hamarzhek pokhhatutsum*” — prior and equivalent compensation. That tracks Article 60(5) of the Constitution: alienation for the purpose of ensuring the overriding interests of the public is carried out in exceptional cases prescribed by law, “only with prior and equivalent compensation”; under Article 60(4) no one may be deprived of property except by judicial procedure in the cases prescribed by law.

The measure. Article 11(1) states it in one sentence: equivalent compensation is paid for the property alienated, and “*hamarzhek e hamarvum otarvogh guyki shukayakan arzhekits tashning tokos aveli gumary*” — the amount fifteen percent above the market value of the property being alienated is deemed equivalent — save in the cases the law itself provides. The statutory measure is thus market value plus a fixed percentage, the form this survey has recorded in Sweden and Finland. On top of it sit further statutory sums. Article 11(1.1) (an amendment) adds a *second*, conditional fifteen percent of market value — payable within three days after the property is vacated and handed over — to owners and holders of property rights (mortgagees excepted) who did not obstruct the description of the property, concluded the acquisition contract (or were deemed to have concluded it), and

vacated on time. Article 11(3) adds compensation for interruption of an entrepreneurial activity conducted on the property, for up to one year, in the amount and manner set by the government, plus resettlement and social-support measures by government decision. Article 12 backs the scheme with a deposit rule: if no contract is concluded within three months of the offer, the acquirer must place the equivalent compensation *plus a further twenty percent of that sum* on the deposit of the court or notary before proceeding.

Article 11(2) defines market value as the most probable sale price formed on an open and competitive market between a knowing seller and buyer under fair-trade conditions and lawful conduct. Three carve-outs qualify the base: unauthorized structures unregistered under Armenian law are not valued (Article 11(4.1)); land is valued separately as unimproved land, with trees, crops and other attached improvements valued separately (Article 11(4.2)); and in derelict (*vtarayin*) multi-apartment buildings the dwelling (without the land) is valued by taking the value of comparable non-derelict property in the same valuation zone and reducing it by thirty percent (Article 11(4.3)) — one of the “cases provided by the law” qualifying the fifteen percent rule.

The date. Article 11(3.1): the market value of the property being alienated “is assessed and determined as of the day the valuation is carried out” (*gnahatumn irakanatsnelu orva drutyamb*). The anchor is the valuer’s own act, not the government decision or the transfer.

Who values. Only a person entitled to act as a valuer under the Law on Valuation Activity may be engaged, applying the government’s valuation standards (Article 11(3.1)). The owner is notified of the list of eligible valuers and may, within two weeks, nominate a preferred valuer, who must then be engaged; failing a nomination, the valuer is selected at random under a procedure set by the government (Article 11(2)) — the selection procedure now in Government Decision No 882-N of 18 June 2026. For securities, expert valuation rules of their own apply, with exchange-traded instruments taken at closing prices; where both acquirer and owner commission reports, the average of the reported values governs (Article 11(3.1)).

What is left out of account. Article 11(4) is a true scheme disregard, and it cuts both ways: the market value of the property being alienated “shall not include any decrease or increase in the value of the property” attributable to (a) the purpose for which the property is alienated, (b) the fact of its alienation for the overriding interests of the public, (c) any preliminary action of the acquirer connected with the alienation, including the preliminary study, or (d) the property rights existing over the property.

Partial takings. Article 5(2) gives the owner, where only part of the property is alienated, the right to demand alienation of the non-alienated part in three cases: where the remainder loses for the owner the economic or functional significance it had before the severance (the cutting off of the remainder from the part taken), regardless of the proportions; where the remainder is insignificant compared with the part taken — deemed so where at least seventy-five percent of the whole is alienated; and where the market value of the remainder falls substantially, by at least twenty-five percent, as a result of the partial alienation. The demand must be made within two months of the entry into force of the government decision recognizing the overriding public interest.

Docket note. A prosecutorial State-land-recovery docket exists in Armenia — reported to include an Administrative Court judgment announced on 15 June 2026 invalidating the 2005 registration of some 225 hectares at Tsaghkadzor in the name of the National Olympic Committee, under appeal

and not final. It is title nullification and asset recovery, not compensation for alienation, and is identified here as outside the scope of this valuation survey; it has not been verified against a primary source.

Armenia is not a member state of the European Union; it is a member of the Council of Europe and a party to the European Convention on Human Rights. The measure of compensation is, as throughout this survey, a matter of national law.

Implication for appraisers. The Armenian instruction separates the valuation from the compensation arithmetic with unusual clarity. The valuer's task is market value, dated by his own act, cleansed by the Article 11(4) disregard of everything the scheme and the acquirer's preliminary steps have done to price; the statute then adds the fifteen percent, the conditional further fifteen, and the government-set business-interruption sums on top. The report should therefore state the unadorned market value and leave the statutory percentages to be applied to it — and, in a partial taking, should quantify the fall in the remainder's value, since the twenty-five percent threshold of Article 5(2) turns that figure into a right to force alienation of the whole.

The Yerevan docket — the threshold in practice. The compensation provisions are not idle. The Yerevan municipality's published expropriation schedule for the period lists eleven court files on compensation, whole-plot taking and inheritance. One of them is instructive on the provision analyzed above: file 210, cadastral identifier 01-006-0708-0051, concerns 857.2 square meters of a plot of 1,600, with a hearing listed for 2 February 2026. A taking of some fifty-four percent of the plot meets neither numerical test of Article 5(2): it is short of the seventy-five percent at which the remainder is deemed insignificant, and the twenty-five percent test goes to the fall in the remainder's market value, not to the share of the area taken. Both figures were in any case added by Law HO-28-N, in force from 17 February 2026, after the listed hearing. On the face of the schedule such an owner's route to a whole-plot taking was the first limb — that the remainder had lost its economic or functional significance — and that is a question of evidence, to which the value of the remainder before and after is the natural proof.

Tsaghkadzor — a cadastral figure, and a title returned. In June 2026 the Administrative Court invalidated the Armenian National Olympic Committee's registration, made in December 2005, of 225.1 hectares at the Tsaghkadzor ropeway, with the title to revert to the Republic when the judgment becomes final. The cadastral value of the land is reported at about AMD 36.4 billion, some US\$95 million. No compensation was assessed: the figure is the cadastral one, and it is cited here as the measure of what reverts rather than as a judicial valuation.

Tufenkian — the expropriation law itself under challenge. The Old Yerevan development at 32 Buzand has produced the period's direct attack on the statute: a first-instance rejection of 25 March 2025, remittal by the Court of Appeal, termination by the Constitutional Court in December 2025 of the company's challenge to the expropriation law, and an application to the European Court of Human Rights lodged on 26 February 2026 on property, fair trial and remedy. No domestic quantum has issued.

Verification note — The provisions above were read in the Armenian official incorporation in force from 17 February 2026 on arlis.am (act 220993); the Armenian text is the authoritative one and all quoted phrases were taken verbatim from it and transliterated. Article 60 of the Constitution was read in the Armenian text on the same portal. The fifteen percent premium of Article 11(1) is confirmed in the current text in terms (*tashhing tokos* — fifteen percent), as are the conditional additional fifteen percent of Article 11(1.1) and the twenty percent deposit increment of Article 12. No official English translation was used. No 2024–2026 Armenian court decision construing the compensation provisions

of HO-185-N was located. The Tsaghkadzor, Yerevan-docket and *Tufenkian* matters set out above rest on reporting and on a municipal schedule, not on judgment texts read by this department, and none of them assesses compensation under those provisions. The department notes that recent amendments (HO-28-N of 11 February 2026; Government Decision No 882-N of 18 June 2026 on valuer selection) show the scheme in active legislative motion.

Source — Armenian, read in machine translation; original retained for the translated editions: Hanrutyan geraka shaheri apahovman npatakov sepakanutyany otarman masin (Law HO-185-N of 27 November 2006), official incorporation, ARLIS — Armenian Legal Information System, <https://www.arlis.am/hy/acts/220993/latest>

Further sources — Yerevan municipality expropriation schedule (read in Armenian): <https://www.yerevan.am/uploads/media/default/0002/61/24dbd16704ebab2e4b2c366c0d00c6e0c00a97ec.pdf>; Tsaghkadzor reporting (English): <https://www.thearmenianreport.com/post/armenian-court-orders-return-of-95-million-tsaghkadzor-land-to-state-dealing-blow-to-gagik-tsaruky>; *Tufenkian* (English): <https://hetq.am/en/article/180978>.

A second fifteen percent, and that one conditional: Law HO-28-N of 2026. In force 17 February 2026, amending the law on alienation for overriding public interest. The base addition of fifteen percent to market value in Article 11(1) stays; the amendment qualifies it with the words “except in the cases provided by this law”. A new Article 11(1.1) adds a *second* fifteen percent of market value as additional compensation, due within three days of the property being vacated and handed over — *conditional* on the owner not obstructing access for the description protocol, signing or being deemed to sign the contract, and vacating on time. On partial takings, a remainder is “insignificant” if seventy-five percent or more is taken, and the owner may demand acquisition of the remainder where its market value falls by twenty-five percent or more.

And the owner’s right to nominate the valuer. The same law gives the owner two weeks, after notice and before the valuer is chosen, to nominate a valuer who must then be engaged; failing that the valuer is chosen under a government procedure, settled by Government Decision No 882-N of 18 June 2026 and taking effect five months after its official publication on 19 June 2026. It is not a simple lottery. The cadastre committee’s software draws five valuers at random from the register; their identities are kept from one another; each has three working days to file a sealed price offer; and the program appoints the one who bids lowest, drawing at random only between equal lowest bids. Only persons entitled under the valuation-activity law may value.

Implication for appraisers. Armenia has done something no other jurisdiction in this survey attempts: it has put a second statutory uplift on top of the first and made it contingent on the owner’s cooperation, and it has given the owner a right of first nomination over the valuer. The first turns part of the compensation into an incentive payment; the second answers the complaint heard in Kenya, Georgia and Türkiye alike — that the valuer is the taking authority’s. The fallback answers it less well: a random shortlist removes the acquirer’s choice, but appointment of the lowest sealed bid selects on fee, and a valuer chosen for cheapness is not thereby shown to be independent or thorough.

Source — Law HO-28-N and Government Decision No 882-N, official legal information system (read in Armenian): <https://www.arlis.am/hy/acts/220973/latest> and <https://www.arlis.am/hy/acts/226747/latest>.

Azerbaijan — the higher of market price and restoration price, at the inventory date

The statute. The governing act is the Law of the Republic of Azerbaijan No 987-IIIQ of 20 April 2010, *Torpaqların dövlət ehtiyacları üçün alınması haqqında* — On the Acquisition of Lands for

State Needs — published in *Azərbaycan* newspaper No 114 of 27 May 2010; the consolidated text read here is the version in force on the official portal e-qanun.az (framework 19613, status “in force”). It is an 83-article code of the whole acquisition process. The constitutional anchor is Article 29(IV) of the Constitution: no one may be deprived of property without a court decision, and alienation of property for state or public needs is permitted “only subject to prior and fair compensation of its value” (*yalnız qabaqcadan onun dəyərini ədalətli ödəmək şərti ilə*). Article 157.9 of the Civil Code channels every taking into the 2010 Law and confines it to an enumerated list of purposes (state-important roads and communications, border security, defense and security installations, state-important mining, port expansion, airports).

The measure. Article 54.1: every person affected by the acquisition must be paid fair compensation (*ədalətli kompensasiya*) under the Law; by Article 54.2 it is paid at the expense of the project necessitating the taking. Article 55 gives two methods: the market price of the land under Article 58; or, where no land market exists in the area (or the market is too thin to establish a real market price), or where substitute land is given, the restoration price under Article 59. Where both methods could apply, “the method giving the higher price of the land is applied” (Article 55.2). Article 56 lists the factors to be weighed, opening with a restoration principle — compensation must be such that those displaced are not left worse off, in property, means of subsistence, income and living standards, than before — and continuing with inflation, the Article 58 market price, severance damage where part only is taken (56.1.4), damage to the person’s other property or real income (56.1.5), and all removal costs and losses (56.1.6). Article 63 adds disturbance (in the United States, relocation payments) compensation (legal, survey and valuation costs, livestock transport, income losses and transitional payments, retraining, food-supply replacement); Article 66 adds a hardship payment where a dwelling is taken, of five to ten percent of the total compensation, graduated by the claimant’s years of residence (five percent for five years rising to ten percent beyond ten years); Article 72.1 adds interest at the Central Bank rate plus one percentage point from due date to payment or deposit.

Article 58.1 defines the market price as the probable price at which the land, *in its condition as at the inventory date*, would be sold by a willing seller to a willing buyer on the open market. Article 58.2 makes the determination mechanical: the average of the three highest prices shown in notarized sale contracts for comparable land in the three months preceding the inventory date, drawn from within 100 meters of the land taken, widening to 250 and then 500 meters if no market exists there, and failing that from the district or city (Articles 58.3–58.4). The restoration price of Article 59 is a replacement-cost measure — equivalent land brought to the same quality, or an equivalent dwelling or building, plus removal, registration, design and contractor costs — and Article 59.4 directs that depreciation is *not* deducted, and that “the value of the general benefit to be obtained as a result of the acquisition is not deducted from the value of the acquired property” — an express no-set-off rule within the restoration measure.

The date. The valuation is anchored throughout to the *siyahıya alınma tarixi* — the inventory (enumeration) date of the property in the acquisition proceedings: condition as at that date (Article 58.1), comparables from the three months before it (Article 58.2), and improvements made after it excluded (Article 57.1.5).

What is left out of account. Article 57.1 excludes from the compensation assessment: the degree of urgency of the taking (57.1.1); the affected person’s refusal to vacate (57.1.2); “the decrease in the price of the land that may arise from its future use” (57.1.3) *and* “the increase in the price

of the land that may arise from its future use” (57.1.4) — a two-way disregard of the value effects of the intended use; and expenditure on reconstruction and other additions to the land after the inventory date, save maintenance of existing structures and continued cultivation (57.1.5).

Who values. A valuation commission (*qiymətləndirmə komissiyası*) created by the acquisition decision collects and analyses market-price and restoration-price evidence for the land taken and the land adjoining it, engages an independent valuer selected by competitive procedure (Article 23.1.4), weighs the valuer’s proposals and the opinion of the supervisory authority — which may recommend adjusting a recommended price up or down to align it with the market (Article 24.2) — and decides the compensation for each affected person, stating the market price of each property separately (Article 23.1.5). Disputes and complaints go to the courts under Articles 52 and 75–76.

Partial takings and adjacent land. Severance damage to the retained land is a mandatory assessment factor (Article 56.1.4), and Article 60 adds a special rule where the division puts the remainder to use for roads, drains, walls, bridges and similar works. Article 61 gives the acquiring body the option, where the compensation claimed for the part equals or exceeds the price of taking the whole, to decide to acquire the remainder as well. Article 62 extends compensation to persons whose *adjoining* land (no part of which is taken) is damaged by the construction or by statutory restrictions connected with the works — injurious affection (compensation for the fall in value of land the owner keeps) without a taking.

Title-validity note. On 18 May 2026 the Civil and Commercial Collegia of the Supreme Court, sitting jointly under Article 418-1 of the Civil Procedure Code to unify practice, issued ruling (*qərardad*) No 02/2026 on the good faith of third parties acquiring rights in rem over immovables (rights in the thing itself, good against the world — ownership, mortgage, servitude — as opposed to contract rights) — the forged-registry-chain problem: an apartment passed out of its owner’s hands on a forged power of attorney and was twice resold. As stated in the ruling: the courts must, whatever the pleading, examine the validity of the transactions underlying the registry entry; the true owner may attack the later contracts only as void (*uydurma əqd*, the fictitious transaction of Civil Code Article 340.1), and the fictitious character is shown by indicia weighed together, one alone rarely sufficing — kinship, friendship or dependency between the parties, a price many times below true market value without reason, no inspection of the property, non-delivery with the asset remaining in the original owner’s possession, means incompatible with the price, and procedural passivity (paras 43–44). A later acquirer loses protection only where the register carried an objection or he knew, or on the evidence must be taken to have known, that the entry was wrong (para 70); a genuine onerous purchaser in reliance on the register keeps the property, and the dispossessed owner’s remedy is damages against the forger, the first transferee and, in a proper case, the notary (paras 99–104), the notary being jointly and severally liable with the other wrongdoers where his professional default is proved. Good faith does not protect acquisitions of spousal joint property disposed of without the required consent (Civil Code Article 225.6), acquisitions under a double registration, things not open to private ownership such as specially protected nature areas, or gratuitous acquisitions such as gifts (para 74). The department notes that the ruling’s form is a joint collegial unification ruling, not a Plenum decision, and its date is 18 May 2026 — items circulated as “Plenum guidance of June 2026” describe this instrument.

Strasbourg note. In *Mammadova and Mammadov v. Azerbaijan*, no. 31618/18, a Chamber of the Third Section on 24 March 2026 found a violation of Article 1 of Protocol No. 1 where the applicants’

Baku apartment was demolished in 2016 on the strength of an “urgent disrepair” opinion, without their consent and without any specific legal procedure authorizing the compulsory demolition of privately owned property: the deprivation lacked a legal basis. The Court awarded EUR 126,000 pecuniary and EUR 3,000 non-pecuniary damage jointly. The case is a lawfulness holding, not a valuation one, and is noted for the deprivation-of-property context only.

Azerbaijan is not a member state of the European Union; it is a member of the Council of Europe and a party to the European Convention on Human Rights. The measure of compensation is, as throughout this survey, a matter of national law.

Implication for appraisers. The Azerbaijani instruction is mechanical to a degree unusual in this survey: the market price is not an opinion of value but the average of the three highest notarized comparables within a statutory radius and a three-month window before the inventory date, and the alternative restoration price is a replacement-cost computation with depreciation and project benefit expressly left in the owner’s favor, the two measures resolved by a statutory higher-of rule. The valuer’s judgment therefore concentrates on the selection and comparability of the notarized transactions, on the two-way future-use disregard of Article 57, and on the separately reportable additions — disturbance, the five-to-ten percent hardship payment, and interest — none of which belongs inside the value figure.

Verification note — The provisions above were read in the Azerbaijani consolidated text on e-qanun.az (framework 19613; quoted passages taken verbatim), with the Constitution (framework 897, Article 29) and the Civil Code (framework 46944, Articles 157.9, 225.6, 340.1–340.2) on the same portal. The unification ruling No 02/2026 of 18 May 2026 was read in the official PDF published by the Supreme Court (supremecourt.gov.az). *Mammadova and Mammadov* was verified on HUDOC (item 001-249209). The items circulated on the 28 October 2025 expertise note, the 17 December 2025 proper-defendant note and the cadastre volume statistics are omitted as outside scope.

Source — Azerbaijani, read in machine translation; original retained for the translated editions: Torpaqların dövlət ehtiyacları üçün alınması haqqında Azərbaycan Respublikasının Qanunu (No 987-IIIQ, 20 April 2010), consolidated text, e-qanun.az, <https://e-qanun.az/framework/19613>

Strasbourg on the unreasoned domestic valuation. Azerbaijan publishes no domestic valuation case law of the period, but the European Court of Human Rights decided some fifteen Baku demolition cases in 2025–26, and together they amount to a sustained judicial critique of how the value was found. The recurring defect is identical: a domestic court substitutes a figure — commonly 1,500 AZN a square meter, or a one-page state-registry opinion — for a reasoned expert report, without explaining why. In *Islamzade* a court-commissioned 6,107 AZN a square meter and the applicant’s 6,248 were passed over for a one-page statement of 1,800–2,000; in *Mammadov* a first-instance award of 354,000 AZN was cut on appeal to 107,360 at 1,600 a square meter without identifying the report it rested on; in *Aliyeva* the Court itself applied the earlier court report at 3,180 over a later opinion of 1,500–1,900 that carried no methodology.

But the applicant’s report must hold up too. The Court is not indiscriminate, and in these cases what the domestic courts did must be kept apart from what Strasbourg did. In *Firm Niyal* the Baku Court of Appeal dismissed the applicant’s 4.3 million AZN report as “unreal” and awarded 1,500 AZN a square meter; the Court found that unreasoned, and then at the just-satisfaction stage itself declined to follow the report, which spoke to February 2008 and not to the date of deprivation and did not show how its figure was reached, awarding EUR 50,000. In *Aliyev and Others* it was the domestic courts that took the court-commissioned figure for the building and the applicants’ figure for the land; the Court criticized them for adopting one part of the applicants’ report and discarding

the other without reasons, and itself set aside the same report, dated January 2011, because that was not the date of deprivation, awarding EUR 75,000. In *Abdullayeva* it was the Ganja courts that excluded the private reports because the valuer lacked a “special authorisation” — a requirement the applicants said had been repealed in 2007; the Court found the deprivation unlawful and awarded EUR 53,000, having regard among other material to the applicants’ report on the second building. And in *Mammadova* the applicants also claimed an additional twenty percent, that of Presidential Decree No 689 of 26 December 2007: the Baku Court of Appeal found that the demolition, carried out by a housing construction cooperative, had not been for State needs, and the Court rejected the claim for the addition because the provisions relied on concern expropriation for State needs and the applicants had not shown their relevance.

Implication for appraisers. This is the largest body of authority in the issue on what makes a valuation report survive judicial scrutiny, and it is entirely negative — a catalogue of what gets a report thrown out. Wrong date, absent methodology, unqualified author, a figure with no stated basis. A valuer who reads nothing else in this installment should read the Azerbaijani line, because Strasbourg has done the work of setting out, case by case, the minimum a report must contain to be worth anything at all.

Source — All read in the Court’s official database: <https://hudoc.echr.coe.int/eng?i=001-249960> (*Mammadov*); <https://hudoc.echr.coe.int/eng?i=001-244845> (*Islamzade*); <https://hudoc.echr.coe.int/eng?i=001-243182> (*Aliyeva*); <https://hudoc.echr.coe.int/eng?i=001-244848> (*Firm Niyal*); <https://hudoc.echr.coe.int/eng?i=001-244849> (*Abdullayeva*); <https://hudoc.echr.coe.int/eng?i=001-249209> (*Mammadova*); <https://hudoc.echr.coe.int/eng?i=001-244077> (*Aliyev and Others*). Two Georgian cases are communicated and undecided: *LTD Barisakho*, no. 54869/22, and *LTD Narikala*, no. 32118/23.

Taxation

Ad valorem assessment appeals, current use against highest and best use, special-purpose and utility property, estate and gift tax, and conservation-easement valuation.

Georgia — an insurance policy is not evidence of market value. Administrative Chamber, 21 May 2025. For the property-tax base the auditor had taken the value stated in the owner’s insurance policy as market value. Held wrong: the property had been acquired subject to a twenty-year restriction to school use, and the taxpayer had been invited to file a competent expert’s market-value conclusion instead. An insured sum answers a different question — what it costs to reinstate — and a restriction that binds the use binds the value.

Verification note. Armenia moves to charging real-property tax at the full “cadastral value approximated to market value” from 2026, under the phase-in enacted in 2020; no judicial decision of the period was located. Nothing was found in Azerbaijan on tax valuation.

Source — *bs-98(2k-24)*, official text (read in Georgian): <https://www.supremecourt.ge/fullcase/34130/0>.

Lending, Foreclosure, and Mortgage Regulation

Origination and refinance appraisals, GSE, FHA and FIRREA independence rules, deficiency actions, and what loss the valuation actually caused.

Georgia — five percent of market value, struck down again. Ruling 1/2/1901 of 26 March 2026. The complaint was not admitted, but the Constitutional Court exercised its own power to invalidate, from 1 July 2026, the third sentence of Article 3(3) of the forced-auction rules — “at the second repeat auction the starting price is *five per cent* of the market value stated in the valuation act” — because it repeated a norm the Court had already struck down in 2019. The reasoning notes that no rule obliges the valuer to take transitional third-party rights into account, and that such encumbrances lower free-market value.

Implication for appraisers. A statutory auction floor at five percent of appraised value is the most extreme instance of the pattern this issue traces from Panama to Chile to Portugal — an official figure doing duty as a reserve. Georgia’s Constitutional Court has now struck the same provision twice, and the second time it had to invoke a power reserved for norms already declared invalid.

Georgia — and the regulator on who may inspect. Orders of the National Bank of March and June 2025 amended the instruction on real-estate valuation for commercial banks: an assistant valuer may carry out the inspection only for credits up to 150,000 GEL, raised to 200,000 from July 2025; above that the responsible valuer must inspect in person, failing which the property must be revalued. In a related constitutional case the National Bank told the Court, as amicus, that supervised lenders “value the immovable collateral below market value” when lending to individuals — a regulator stating on the record that lending valuations are deliberately conservative.

Azerbaijan — a price far below market as a badge of a sham. The Plenum held on 20 June 2025 that “a sharp difference between the sum given as a loan under a sale contract and the average market price of the immovable” indicates a sham sale masking a loan security, with repurchase clauses valid only if notarized. The Supreme Court’s Civil and Commercial Collegia added in May 2026 that a sale “at a price many times below the real market value without reasonable grounds” is an indicator of a sham deal but is not, alone, sufficient.

Source — Constitutional Court of Georgia 1/2/1901: <https://constcourt.ge/ka/judicial-acts?legal=19474>; National Bank orders, legislative herald: <https://matsne.gov.ge/ka/document/view/6443764>; Azerbaijani Constitutional Court: <https://constcourt.gov.az/az/decision/1520>; Supreme Court collegia: <https://supremecourt.gov.az/storage/pages/2343/kollegiyal-qerardad-dasinmaz-esya-haqlarinin-elde-edilmesinde-vicdanlililiq-18052026-final.pdf>.

Valuer and Appraiser Professional Liability

Negligence, breach of contract, and rarely fraud against the appraiser; bracket and margin of error, intended use, and USPAP compliance.

Armenia — every report on a register, or it is not a report. Five amendments to the valuation-activity law passed between October 2025 and July 2026, and the last is the significant one. Law HO-286-N creates a statutory “valuation assignment” and a mandatory online registration program: the assignment must be entered within five working days of the contract, every real-estate report is entered and given an identification code, the valuer bears responsibility for the data — and a report whose data are not entered cannot be used as a valuation report at all. Suspension of the certificate limits access to the system. The law is not yet in force: adopted on 18 June 2026 and officially published on 10 July 2026, it takes effect one year after publication, on 11 July 2027.

Implication for appraisers. This is the strongest instrument in the issue for making a valuation traceable: not a standard the valuer should follow, but a register without an entry in which the report is a nullity. Set beside the Polish disciplinary line and the Dutch tribunal, it shows all three converging on traceability — Armenia, from July 2027, makes it a condition of the document's existence.

Verification note. Nothing was found in Georgia: no valuers' statute or regulator decision of 2025–26 appears on the legislative herald, and the only instruments touching valuation are the banking orders reported under *Lending* above. Nothing was found in Azerbaijan.

Source — Law HO-286-N and the four earlier amendments, official legal information system (read in Armenian): <https://www.arlis.am/hy/acts/227815>; <https://www.arlis.am/hy/acts/216454/latest>.

Family Law, Divorce, and Equitable Distribution

Date-of-value contests, discounts, and whether a contemplated subdivision or development is reasonably probable.

No decisions in this category this quarter.

Verification note. Two Georgian Supreme Court decisions of 2026 on the division of property acquired in cohabitation and on common property were read in full; neither contains a holding on the valuation of the dwelling. Nothing was found in Armenia or Azerbaijan.

Estate, Trust, and Probate

Date-of-death value, lack-of-control and marketability discounts, and mixed real-estate and business interests.

Georgia — division in kind impossible, and no evidence to the contrary. 8 May 2026. Co-ownership of two immovables was ended by auction, a court-appointed expert having found division in kind impossible and the co-owners having produced no counter-evidence. The burden falls on the party who wants the property divided rather than sold, and it is an evidential burden, not an argument.

Source — *as-572-2025*: <https://www.supremecourt.ge/fullcase/76346/1>.

Partnership, Shareholder, and Buy-out Disputes

Fair value against fair market value, and whether an asset or cost approach is appropriate when the real estate is an operating asset.

Georgia — thirty percent at 2,092,533 lari, on the claimant's audit. 1 April 2026. On a partner's exit from a limited liability company the value of a thirty percent share was fixed at 2,092,533 GEL on the claimant's audit report, against a competing report from the defendants, which put the same share at 810,230 GEL; the appeal was inadmissible. The judgment states the assets: the company bought three land parcels in January 2013 to set up a business and a fourth later that year. The decision turns on the choice between the two audits and says nothing on how the land was valued within them.

Source — *as-1464-2025*: <https://www.supremecourt.ge/fullcase/76558/1>.

Insurance, Casualty, Environmental Diminution, and Private Contract Damages

Before-and-after value, cost to cure against stigma, wildfire and contamination, insurance appraisal clauses, options, and partition.

Azerbaijan — the market price where no remuneration was agreed. Plenum Decision No 10 of 7 July 2026, on contract-for-work disputes, sets out when a valuation is needed at all. Where the remuneration is agreed, no market-price inquiry and no expert is required. Where it is not, “ordinary remuneration” means the average market price at the time of performance, and the courts are to invite evidence and appoint an expert. Unauthorised extra works that the client has used are paid at average market prices under unjust enrichment, and on termination of a lump-sum contract the measure may be the cost to complete.

Georgia — the unrebutted expert report. 16 February 2026. On sewage damage to a flat, the appellate court’s reliance on an independent expert-valuer’s report was upheld: an expert conclusion is one type of evidence, and the opponent had failed to rebut it. The mirror image of the Georgian expropriation line — where the court weighs competing reports, a single unopposed report carries the day.

Source — Plenum Decision No 10 (read in Azerbaijani): <https://supremecourt.gov.az/storage/pages/2366/772026-10-sayli-mulki.pdf>; *as-1068-2025*: <https://www.supremecourt.ge/fullcase/75898/1>.

Coverage and completion status

This is the baseline installment for the South Caucasus. All three statutory frameworks were read against primary sources this issue; where a court decision is described, its provenance and any limit on verification are stated at the point of use. No further Caucasus jurisdiction is surveyed: Georgia, Armenia and Azerbaijan are the three sovereign states of the region, and the North Caucasus falls under Russia, as noted above.