

COMPENSATION RATE VALUES OF FRUIT TREES DURING EXPROPRIATION: A COMPARATIVE STUDY

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ABSTRACT

A comparative study of the easements and compensation values of fruit trees in the cases of pipeline crossing has been undertaken for Albania, Greece, Turkey, Georgia, Azerbaijan and Armenia. The purpose of the study was to compare assessment methodologies for rate compensation values of fruit trees during construction and operation phases of pipelines. Investors in the case of pipeline construction demand land for purchase, rent, right of way or easement for tree planting restriction in the range of 8 m. In this study is discussed rate values of compensation fruit tree in Albania compared with other countries in the same situation: expropriation of land and scarification of fruit trees. Discussion of the methods and their calculation formulas show that there are differences in compensation quotes. Fruit tree compensation, the value differences were even greater due to the application of different methods. They were the lowest in Albania and Turkey compared to other countries. In Albania and Turkey as a missing profit is considered net profit and not income because in net profit are considered expenditures that are differentiated from the income that is not realized in the profit-making period. The difference in the value between the income and the net profit of a fruit tree production is large, sometimes half of the income. On the other hand, application of interest rate capitalization (3-5%) in all fruit trees is incorrect; this formula of calculation increases more than double the amount of compensation. Consideration of the concept "for eternity" is correct for fruit trees with long lengths of life such as olive and nuts. However, in all cases, the compensation and easement rates were in accordance with national legislation and met the basic principle of the property right use and the fair compensation of easements and fruit trees sacrificed by the works.

Keywords: Easement rates, private investments in construction, expropriation.