

Revisions of the Basic Land Policy

[Decided by the Cabinet on May 28, 2021]

In accordance with the provisions of paragraph (3) of Article 21 of the Basic Act for Land (Act No. 84 of 1989) as applied mutatis mutandis pursuant to the provisions of paragraph (6) of the same Article, the Basic Land Policy (decided by the Cabinet on May 26, 2020) shall be revised in whole as shown in the Attachment.

(Appendix)

Basic Land Policy

May 2021

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Introduction

In March 2020, the Act Partially Amending the Basic Act for Land, etc. (Act No. 12 of 2020) was enacted, promulgated, and enforced. As a result, under the Basic Act for Land (Act No. 84 of 1989; hereinafter referred to as the “Act”), the objectives of the land policy are set to achieve proper land use and management and smooth transactions, etc., to facilitate them in light of the coming of a society with a seriously decreasing population, associated changes in land use needs, and the need to respond promptly to various issues related to land, etc., and community revitalization and the formation of a safe and sustainable society are aimed to comprehensively promote the policy measures. In connection with this, the basic principles on land and the provisions on the responsibilities of the parties concerned have been reviewed, and in the basic principles that advocate giving priority to public welfare with regard to land, the need to ensure proper land use, management¹, and transactions is specified, and particularly with regard to responsibilities, the provisions on the responsibilities of landowners, etc. are added to specify that landowners, etc., have responsibilities for proper land use and management (including registration and other clarification of rights, and boundary demarcation). While incorporating the new basic principles and responsibilities of landowners, etc. into practical systems and measures, the basic measures to be implemented by the State and local public entities have also been reviewed in terms of promoting proper land use, management, and transactions.

This Policy, as being the Basic Land Policy under Article 21 of the Act, sets out basic matters concerning measures on land, in line with the foregoing.

Part 1 Basic matters concerning the formulation, etc., of land use and management plan

Under Article 12 of the Act, the State and local public entities shall, with the appropriate division of the roles, formulate the necessary land use and management plan to achieve proper and reasonable land use and management in light of changes in and the outlook for social and economic conditions, such as population decline, by taking into consideration the respective land conditions and the characteristics of the area in which the land is located, and other natural, social, economic, and cultural conditions, through appropriate role sharing and appropriate procedures for consensus building, including incorporation of the opinions of residents and other parties concerned. While formulating the plan, it is important to consider a broader and longer view, i.e., development of social and economic activities over wide areas, the future outlook of population and industry, the societal changes brought about by the spread of the new coronavirus and the advance of digitalization.

¹ Article 3, paragraph (2), of the Act specifically provides that “to create a good environment for its surrounding areas, and from the viewpoint of preventing adverse effects on the surrounding areas,” land should be “properly used or managed.”

Article 3 of the Act provides that land shall be used or managed in accordance with the plan. Therefore, the plan must be comprehensively formulated to ensure proper land use and management, seeking to create a good environment, including landscape and historic scenery, for the surrounding areas, and from the viewpoint of preventing adverse effects on the surrounding areas, such as disaster prevention.

In order to facilitate the formulation, etc., of a land use and management plan in accordance with the above purpose, the following initiatives are promoted:

(a) Concepts for local land management

Based on the fact that a declining level of national land management under the current population decline is recognized in the National Land Use Plan (National Plan) (decided by the Cabinet on August 14, 2015) as a major issue to be addressed in the future, concepts, etc., for the management of land, including land that is expected to be abandoned in the future, shall be under consideration for the guidelines of local initiatives, such as measures to understand the current state and future prospects of land and reduce or eliminate adverse effects in the local area. These initiatives shall be promoted through model projects, etc. based on project concepts.

(b) Plan to promote more compact cities

With the participation of diverse actors, through the formulation of Proper Location Planning and implementation of projects for the plan, etc., further urban sprawl shall be controlled by guiding the location of residences and urban function to a certain area to achieve a more compact city.

Furthermore, in terms of disaster prevention and damage reduction and safe community development, by reducing new site locations in disaster hazard areas and promoting relocations from disaster hazard areas and promoting disaster-prevention measures in residential induction areas (based on the guidelines for disaster prevention in Proper Location Planning), proper land use shall be promoted in conjunction with disaster-prevention and damage reduction measures.

In addition, through the formulation of a regional public transportation plan (that is integrated with Proper Location Planning and implementation of projects for the plan, formation of a regional public transportation network let by local public entities shall be achieved to promote guidance for proper land use in conjunction with compact city measures.

(c) Plan to promote land use optimization in response to flooding disaster prevention

In the plan for flood control in river basins to be formulated, rivers shall be added in areas where it is difficult to prevent damage by development projects due to natural conditions. In addition, the plan for flood control in river basins shall be enhanced by positioning the results of consultations among the national, prefectural, municipal governments and other relevant

parties in the plan and establishing land use policies. Through these efforts, land use optimization corresponding to flood disaster prevention shall be promoted from the viewpoint of flood control in river basins.

(d) Plan to promote initiatives of securing and effective use of prime agricultural land

In order to promote the initiatives of securing and the effective use of prime agricultural land based on the new Basic Guidelines for Securing Agricultural Land, etc. under the Act on Establishment of Agricultural Promotion Regions (Act No. 58 of 1969), the implementation of measures regarding agriculture shall be systematically promoted, and under the Act on Reinforcement of the Agricultural Management Framework (Act No. 65 of 1980) and the Act on Promotion of the Cropland Intermediary Management Program (Act No. 101 of 2013) and other acts, the promotion of integration and consolidation of agricultural land through Man-Cropland Plans, etc., and proper and efficient agricultural use of agricultural land shall be achieved.

(e) Plan for proper use and management of forests

Concerning the proper use and management of forests, through the operation of the forest planning system under the Forest Act (Act No. 249 of 1951), implementation of afforestation and thinning shall be promoted to ensure that the multifaceted functions of forests are fully exploited. Advanced case studies shall be developed laterally, and support for the use of special measures for owner-unknown forests shall be promoted toward the integration and consolidation of the management of forests under the Forest Management Act (Act No. 35 of 2018).

Part 2 Basic matters concerning measures for ensuring proper land use and management

Under Article 13 of the Act, the State and local public entities shall, to ensure proper land use and management, implement measures for regulation or guidance regarding land use or management and other measures in accordance with the plan formulated based on Part 1 of this Policy. When implementing these measures, it is essential to endeavor to ensure proper land management from the viewpoint of the formation or preservation of a favorable environment and disaster prevention, since in recent years, insufficiently managed land has become a serious issue with adverse effects on the surrounding areas. Furthermore, in view of a broader and longer perspective, it is essential to endeavor to create and stimulate demand for land from the viewpoint of fully exploiting the potentials of land, including currently underused or unused land. From the above viewpoints, addressing issues, particularly on underused or unused land, insufficiently managed land, and owner-unknown land, is an urgent task. Specifically, it is necessary to implement measures for creating and stimulating needs for

land and supporting land acquisition to promote the proper use and management of underused or unused land, measures for encouraging landowners, etc., to properly manage insufficiently managed land that has adverse effects on the surrounding environment and ensuring proper management by local public entities and local residents other than landowners, etc., as necessary, and measures for ensuring smooth use and management and controlling and eliminating the occurrence of owner-unknown land.

In addition, it is important that these measures shall be taken in cooperation with local residents for the realization of sustainable local communities.

In order to ensure proper land use and management in accordance with the above purpose, the following initiatives are promoted:

1. Measures for ensuring proper land use

(1) Measures on proper use of land already in use

(a) Guarantee and guidance of proper land use in urban/community areas

In order to enhance the competitiveness of urban areas, efforts toward the realization of the "Super City," the world's first "integrated city of the future" to realize future lifestyles in the now shall be promoted, and in urban renaissance emergency development areas, high intensity and high quality land use should be guided, proper land use, including high intensity land use, such as highly comfortable, convenient, and internationally-competitive office and accommodations, shall be ensured by promoting urban development projects using special tax treatment and financial assistance, urban renaissance special zone systems, and the like.

In addition, public and private sectors shall work together to create urban communities where people gather and interact in spaces that are comfortable and easy to walk to promote initiatives to improve urban attractiveness.

In order to promote area management activities to increase area value, thereby supporting proper land use, the utilization of the community revitalization area management contributions scheme shall be promoted through consultation, etc., using guidelines to explain the details and necessary procedures for the scheme.

In order to control or eliminate the occurrence of vacant land and vacant houses due to inheritance of distant houses, the proper conduct of the rental housing management business shall be promoted so that the owner of a rental house can entrust management of the house without concern. To this end, a registration system for rental housing management business shall be established as well as the necessary regulations to ensure the proper implementation of such business.

In conjunction with various actors and measures, proper land use in terms of local revitalization and improved sustainability shall be ensured by promoting the formation of a small hub where the functions of living services that support the daily lives of residents in communities with small populations are concentrated in a certain area, and a network

connecting the inside and outside of the community living area will be secured, providing support to model centers to improve their quality, etc.

Based on the Fifth Basic Environment Plan (decided by the Cabinet on April 17, 2018), the government will promote land-related measures for environmental conservation with the aim of creating a "Regional Circular and Ecological Sphere" in which regions form self-sustaining, decentralized societies and support each other (through maintaining the diversity of the national lands based on a coexistence with nature) and for ensuring sustainable and attractive urban and regional development. For example, the government studies a system in which land that contributes to the conservation of biodiversity and its management are properly valued by society and incentives for management are provided.

To promote a green infrastructure that makes use of the diverse functions of the natural environment, development of sustainable and attractive urban/community areas shall be promoted to achieve the proper use of land and real estate. This will be achieved through the social promotion of green infrastructure, conducting surveys and research on technology, by studying financing methods, etc., through the "Green Infrastructure Public-Private Partnership Platform" (in which various entities from industry, academia, and government participate) and supporting public-private partnerships and cross-sectoral cooperation toward the formation of leading models.

By creating a good living environment and regulating uncontrolled urbanization, productive green spaces and other systems shall be further promoted in terms of creating compact cities.

From the perspective of flood control in river basins, flood damage prevention zones shall be established, etc., to promptly promote urban development and lifestyles that are compatible with flood prevention, and to optimize land use at an early stage.

Also, from the perspective of security etc., a system shall be established for surveying and regulating land usage in the vicinity of defense-related and other important facilities, and in remote border islands.

(b) Integration and consolidation of agricultural land

In order to promote the initiatives of securing and the effective use of prime agricultural land, the State and local public entities shall work together to ensure that the agricultural promotion area system and the agricultural land conversion permit system are properly implemented, and through positioning the embodiment of a Man-Cropland Plan (initiative where farmers supporting community discuss to determine concepts of management responsible for the future agricultural land in the area, by using a map visualizing the status of farming by farmers by age group and availability of successors) and, through the implementation of the plan that has been materialized, promotion of integration and consolidation of agricultural land for those who use a cropland intermediary management institution shall be achieved.

(c) Integration and consolidation of management of forests

Under the provisions of the Forest Management Act, if forest owners cannot carry out forest management, municipalities shall be entrusted with forest management, and if any of those forests are suitable for forestry management, the forest management shall be subcontracted to forestry operators, thereby integrating and consolidating the forest management to promote proper forest management.

(d) Promotion of smooth acquisitions of land for public works

With increasingly severe and frequent natural disasters, the government will further promote initiatives for rationalization of land acquisition (i.e., reviewing compensation standards, etc.) based on the measures taken with the new coronavirus and the New Normal, to promote the smooth acquisition of land for public works. The government will also promote the use of the special system for the proper expropriation of owner-unknown land, and the proper utilization and operation of expropriation, while enhancing the provision of information and technical support to local public entities, including the preparation of guidance on public-private partnerships for smooth land acquisition.

(2) Measures on proper use of underused or unused land

(a) Promotion of transactions of underused or unused land

From the viewpoints of promoting the use of underused or unused land, including vacant land and vacant houses, or preventing the situation of long-term underused or unused land and ensuring proper land use, it is important that the right to use be transferred smoothly to a person who is willing or able to use it.

By using special tax treatment measures for personal transfer income in the case of the transfer of underused or unused land, etc., where the transaction cost is relatively high and the transfer value is low, transfers may be encouraged by reducing the seller's burden in the transaction and providing incentives to sell, properly use, and manage by persons who intend to start using it shall be promoted.

A land bank, consisting of government and private sector experts, etc., provides a consultation system for ensuring the effective use and management of land in the region and shares information on vacant land and houses. It also has the function of matching and coordinating the appropriate use and management of land, and managing land on behalf of landowners. For these efforts, a new system will be considered based on the issues and needs of the region obtained through the model project for the utilization of the land bank and the review of the basic civil legislation, including the necessity of public positioning and the handling of land with complicated rights relations such as land with vacant houses.

In addition, support shall be provided for efforts to revitalize underused or unused real estate through renovations of vacant houses, and creation of businesses utilizing the housing

market to address various issues related to vacant houses, thereby promoting proper land use.

In addition, by provide information on good practices and developing and disseminating guidelines, support shall be provided to local public entities, etc., working on proper land use and management in communities.

Through the utilization and promotion of the National Vacant Houses/Vacant Land Bank for standardizing and consolidating information on vacant land and vacant houses in local public entities and enabling easy access and retrieval of information on vacant land and vacant houses throughout the country, transactions of underused or unused land or real estate shall be facilitated by supply-demand matching. To this end, cases of effective use of vacant houses and PRE² information shall be published to enhance the database and promote further use of vacant houses. Moreover, guidelines shall be formulated to support the establishment of vacant house banks by local public entities.

From the viewpoint of capturing the needs for relocation to agricultural, forestry, and fishing areas, by supporting smooth transactions of vacant houses with agricultural land, etc., proper use of underused or unused land shall be promoted in rural areas.

(b) Stimulation of investment in underused or unused land

Through the utilization and promotion of small-scale specified joint real estate ventures, the development of an environment supporting crowdfunding, restoration, etc., of local small-scale real estate by using special tax treatment measures, etc., for specified joint real estate ventures, the proper use and transactions of underused or unused land and real estate shall be promoted.

Through the utilization of voluntary funds that expect the development of specific areas and individual activities through crowdfunding, etc., smooth financing shall be promoted for projects to restore local land and real estate.

(c) Increase in the availability of land

In addition to increasing the availability of land by land consolidation and reorganization and separation of possession and use based on underused or unused land right setting promotion plan system and the special provisions on consolidated replotting of land readjustment projects, by incorporating local housing complex rehabilitation projects (including one-stop access for procedures for relaxation of use restriction and licensing procedures for introducing community bus, etc.) and other variety of building uses, and promoting housing complex restoration through improving the convenience of local public transportation, the occurrence of underused or unused land shall be controlled and proper use thereof shall be promoted.

In accordance with agreements on the development and management of underused or

² Abbreviation of Public Real Estate

unused land based on the location guidance promotion facility agreement system, the use of underused or unused land shall be promoted through the creation of public spaces, such as a communication square and community facilities by local communities.

According to the characteristics of a given area, proper land use shall be promoted by developing, maintaining and managing underused or unused land as green infrastructures (such as flood storage space, agricultural land, and green spaces) and promoting disaster management and damage reduction (Eco-DRR) based on the use of ecosystems, etc. For example, through the utilization of a system to promote the development of civic green spaces by private actors, and a system to designate private actors as green actors, and other systems, the proper use of underused or unused land shall be promoted by effectively developing and maintaining green space, etc.

Underused or unused land adjacent to rivers, etc. shall be effectively utilized by preserving the rainwater storage function, etc. through the establishment of storage preservation areas, etc. that preserve the storage function of the land.

(d) Promotion of use of idle cropland

Under the provisions of the Cropland Act (Act No. 229 of 1952), if agricultural land is not used for cultivation, etc., the agricultural commission shall conduct an inquiry, etc., with the owner of the agricultural land to ascertain the intention to use the agricultural land to promote proper use of agricultural land.

2. Measures for ensuring proper land management

(a) Measures for insufficiently managed land, etc., that has adverse effects on the surrounding environment

Together with providing continued support for initiatives by local public entities, etc. (i.e., measures for developing hardware facilities by public works) and initiatives under the Act on Special Measures for the Promotion of Measures for Vacant Houses (Act No. 127 of 2014), utilization of the system concerning insufficiently managed land, such as cliffs with disaster prevention issues, shall be promoted.

Based on the results obtained through the survey on measures for insufficiently managed land under the vacant land ordinance, etc., the government will continue to consider a mechanism based on the needs of local public entities to develop an environment that allows effective administrative measures (guidance, recommendations, orders, substitute execution, etc.) related to insufficiently managed land. In addition, considering the review of basic civil legislation basic civil law, the government will examine the mechanism to ensure their involvement in relation insufficiently managed land, and review the system based on this.

From the perspective of advance disaster prevention and early recovery of infrastructure: A system that allows for the removal of plants, etc. that may interfere with railroad facilities,

and proper management of land adjacent to the infrastructure shall be ensured through a system for notification and recommending the installation of structures in areas along emergency transportation roads, etc.

(b) Guarantee of proper land management among private sectors (review of basic civil legislation)

To improve the efficiency and rationalization of the proper management of owner-unknown land and buildings, and those that are insufficiently managed, a system to manage owner-unknown land and buildings (with insufficient management) shall be established. In addition, a system for adjacent landowners to facilitate the use and management of owner-unknown land shall be developed to clarify the right to install pipes and other equipment on someone else's land (when a neighboring landowner, etc. draws lifelines into their own land) and also respond to situations where the owner of the neighboring land is unknown

(c) Forest management by municipalities

Under the provisions of the Forest Management Act, if forest owners cannot carry out forest management, municipalities shall be entrusted with forest management, and if any of those forests are not suitable for forestry management, the municipalities shall conduct thinning and other operations to promote proper forest management.

3. Measures to address issues of owner-unknown land

(1) Smooth use of owner-unknown land and management

In preparation for the review of the Act on Special Measures in Relation to Easement of Use of Owner-unknown Land (Act No. 49 of 2018; hereinafter referred to as the “Act for Owner-unknown Land”), which has been in effect for three years, a review will be made considering the implementation status of the Act for Owner-unknown Land and the needs for new land utilization and management in the region, based on which the system will be revised to expand the system for the smooth utilization and management of such lands. The purpose of the community welfare promotion project, which covers projects that contribute to the promotion of community welfare and convenience, shall be fully taken into account in the development and maintenance of disaster prevention facilities, eligible project enhancements (i.e., stockpile warehouses that contribute to disaster management and damage reduction in the region), as well as facilities that contribute to local production and local consumption of renewable energy.

In addition, to ensure the smooth implementation of the Act for Owner-unknown Land, the government will promote cooperation through active participation in councils, etc. (i.e., providing local public entities with know-how related to the search for owners and special

systems for land expropriation), sharing information on advanced cases through the Owner-unknown Land Coordinating Council, (which has been established in 10 blocks nationwide through the cooperation of Regional Development Bureaus, Legal Affairs Bureaus, prefectures, etc.) and encourage public use of owner-unknown land by promoting initiatives to eliminate land that has not been registered as inherited for a long period of time.

Based on the enactment of the Act on Registration and Proper Management of Owner-unknown Land in the Heading Section (Act No. 15 of 2019), a system has been promoted for the purpose of eliminating registrations where the owner field in the heading section is not entered correctly because of historical changes.

With revision of the Civil Code (Act No. 89 of 1896), the property management system shall be reviewed (including the establishment of a system for managing owner-unknown land and buildings) and the co-ownership system shall be reviewed by establishing a system that allows changes and management of co-ownership (after public notice has been disseminated, etc. to the unknown co-owner with the involvement of the court when part of the co-ownership is unknown) and by establishing a system to acquire and sell the co-ownership interest of unknown co-owners by depositing the amount equivalent to their interest, etc. In addition, the provisions on the relationship between neighbors (i.e., clarifying the right to install pipes, etc. for lifelines on other people's land) shall be reviewed to facilitate the use of land, and a system shall be introduced to enable the registration of subdivisions for sale (based on the investigation by the Legal Affairs Bureau) without the presence of the neighboring land's owner, such as in cases of owner-unknown land.

(2) Control and elimination of the occurrence of owner-unknown land

Taking into consideration the owner-unknown land that are left unregistered after inheritance, in the context where inheritance registration is not mandatory (in particular, those who have inherited low-value land have the burden of registration), applications for inheritance registration and registration of change of address, etc. of the registered holder of ownership for real estate shall be required. Furthermore, to ensure the effectiveness of the system, the following measures to reduce the burden on citizens shall be introduced: Newly establishing the registration of heir's declaration in which the heir is deemed to have fulfilled the obligation to apply for inheritance registration if offered to the registration office; newly establishing a system in which a registrar can exercise his/her authority over changing address by obtaining information from other public institutions; and newly establishing the Real Property Record Certification System, which makes it easier to identify real property needing to be registered and prevents omissions of registration by issuing a list of real properties in which a specific person is the owner as a certificate, etc.

In many cases, foreign residents have had difficulty in identifying and contacting individuals. Therefore, efforts will be made to make it easier to identify and contact foreign residents who are the registered owners of property by registering their contact information in

Japan.

Also, due to the decline in land use needs, etc., a growing number of people have inherited land but intend to give it away, and the burden on owners who unwillingly acquired land through inheritance is increasing, leading to insufficiently land management. In this context, a system shall be established to allow land acquired by inheritance or bequest (limited to bequests to heirs) to be given up and vested in the national treasury under certain conditions.

Furthermore, in preparation for the review of the Act for Owner-unknown Land which has been in effect for three years, a system for the utilization and management of insufficiently managed, underused or unused land (which is important from the perspective of controlling the generation of owner-unknown land) will be reviewed based on the needs of new land use and management in the region. Efforts will be made to revise the system based on this.

In accordance with the National Land Survey Project Ten-Year Plan (decided by the Cabinet on May 26, 2020), the facilitation and acceleration of cadastral surveys shall be achieved by promoting the use of new survey procedures and the introduction of efficient survey methods that meet regional characteristics. Boundary demarcation as part of basic land data shall also be promoted, thereby contributing to lessening occurrences of owner-unknown land.

(3) Proper use of owner-unknown agricultural land and forests

With respect to agricultural land whose owners are unknown, after search and public notice procedures by the agricultural commission, a system that allows a cropland intermediary management institution to acquire the right to use the agricultural land shall be used to promote the use of owner-unknown agricultural land.

With respect to forests whose owners are unknown, in whole or in part, or which are poorly maintained, the right to manage, etc., shall be established for municipalities eligible for special measures under the Forest Management Act to promote proper forest management.

Part 3 Basic matters concerning measures for land transactions

Under Article 14 of the Act, the State and local public entities shall develop the market environment for land transactions. Particularly, from the viewpoint that smooth transactions are the necessary means of promoting proper land use or management, measures, etc., shall be implemented for the development of a real estate market that contributes to the facilitation of land transactions. Also, from the viewpoint of restraining speculative transactions that would have adverse effects on citizens' lives, measures to control land transactions, etc., shall continue to be implemented.

In order to promote measures for land transactions in accordance with the above purpose, the following initiatives are promoted:

1. Development of real estate market

(a) Stimulation of real estate investment market through the development of an investment environment

Through the development of an investment environment that supports REITs, the expansion of the market (including specified joint real estate ventures, and crowdfunding, etc.), REITs in fact-growing sectors shall be further promoted, and real estate portfolios subject to investment shall be further diversified to promote the expansion of specified joint real estate venture initiatives, mainly by studying methods of utilization in the fields of community development and healthcare that contribute to regional revitalization.

In addition to the expansion of investments that lead to the formation of superior stock portfolios in line with the viewpoints of SDGs³ and ESG⁴, the development of an investment environment for the proper disclosure of information in response to new trends of investor preferences shall also be implemented, including utilization of guidance to respond to the "Recommendations of the Task Force on Climate-related Financial Disclosures" in the real estate sector, etc.

(b) Stimulation of real estate distribution through development of trading environment

Through the promotion of supply-demand matching through the Vacant Houses/Vacant Land Bank and a land bank, etc., as set out in Part 2, 1 (2), and special measures for distribution taxation, such as special measures for registration and license tax/real estate acquisition tax related to the acquisition of residential assessed land and house/land, and special tax treatment measures for gains on the transfer of business assets transferred upon the replacement of business assets, etc., demand for land shall be stimulated, and transfer to those who use land effectively shall be promoted.

Through the utilization and promotion of inspections (building condition survey, etc.) and the "Anshin-R-Jutaku" program that provides customers with basic information on existing housing, the market environment where sellers and buyers can engage in transactions safely shall be developed to promote the distribution of existing houses.

In addition to the promotion of matching between local public entities and business operators, etc., through the provision of training sessions and dissemination of guidelines, etc., for officials of the State and local public entities, the utilization of PRE and CRE⁵ shall be promoted. Also, essential measures to correspond to internationalized real estate market shall be implemented, to include the dissemination of instruction manuals designed to prevent

³ Abbreviation of Sustainable Development Goals

⁴ Abbreviation of Environment (E), Social (S), Governance (G).

⁵ Abbreviation of Corporate Real Estate

problems between foreign contractors and Japanese realtors etc.

It shall be clarified that online Explanation of Important Matters in real estate transactions shall be treated the same as in-person Explanation of Important Matters. Through the electronic documentation of explanations of important matters as a social experiment, system infrastructures supporting new technologies shall be developed to facilitate land and real estate transactions.

(c) Stimulation of real estate market through enhancement of information

From the viewpoint of stimulating real estate investments and transactions through the initiatives listed in Part 4, the real estate information infrastructure shall be developed and improved.

2. Proper implementation of land transaction regulation system

In order to eliminate the adverse effects that speculative land transactions and steep rises in land prices have on citizens' lives and to achieve proper and reasonable land use, the basic research on land transaction regulation, etc., shall continue to be conducted to gain land transaction information to endeavor to implement the land transaction regulation system, etc., under the National Land Use Planning Act (Act No. 92 of 1974).

Part 4 Basic matters concerning the conduct of investigations and provision of information, etc., on land

Under Article 18 of the Act, the State and local public entities shall, with the appropriate division of roles, work together to conduct investigations on trends in the real estate market, including cadastral data and land prices, which are important when implementing measures on land for proper land use and management, etc. In addition, the State and local public entities shall, to contribute to the smooth implementation of measures on land, provide information collected on land in a timely and easy-to-understand way to the citizens and give consideration to the protection of the rights and interests of individuals, including the protection of personal information, when providing information.

Furthermore, the information infrastructure required to achieve these matters shall be developed and improved. In order to promote the conduct of investigations and the provision of information on land in accordance with the above purpose, the following initiatives are promoted:

1. Facilitation and acceleration of cadastral surveys and updating of real estate registration information

With respect to cadastral surveys which are also important from the perspective of disaster prevention and community development: According to the National Land Survey Project Ten-Year Plan, efficient survey methods shall be established and introduced (according to the characteristics of the area) by posting public notices of the proposed parcel boundary, confirming boundaries using drawings, etc. without on-site visit allowing for the utilization of new survey procedures enabling surveys to proceed even if owners, etc., are unknown or if the owner lives in a remote area, etc. In addition, advance surveys of public-private boundaries in urban areas, and the utilization of remote sensing data in rural areas, and based on the Plan, the facilitation and acceleration of surveys shall be achieved.

Real estate registration information shall be updated by making the application for inheritance registration mandatory, reducing the burden of this process and by introducing measures for registrars to update information on addresses, deaths, etc., through system-based information links with other public institutions.

2. Promotion of development of real estate information

In addition to announcements of land price information through current land value publication, etc., of real estate transaction price information, continued publication of the real estate transaction price index (residential, commercial real estate) and the existing housing sales volume index, through the further development of statistics and the promotion of the development of lateral market information in cooperation with the public and private sectors, etc., dissemination of guidelines for promoting the use of lateral data⁶ in local public entities, etc., transparency in the real estate market shall be improved and smooth real estate transactions shall be achieved. Furthermore, surveys of the land value publication shall be conducted biennially in areas where land price trends are stable. In areas where land prices are becoming more individualized and multipolar, the survey method for securing survey points shall be reviewed on a trial basis, to grasp and disseminate land price trends in a more detailed manner.

Also, since the presence of real estate appraisal experts is an infrastructure supporting the real estate market, by providing information and other support to clients help them select real estate appraisers based on their ability and strengthening supervision against unfair appraisals, the quality of real estate appraisals shall be maintained and improved.

⁶ Data collected and stored by the State (real estate transaction information prices, land value publication, etc.), local public entities (population data, building data, etc.), and private businesses (map information, satellite photo information, etc.), are visualized by combining them in a multilayered manner for each certain region. For example, mesh data that combines the number of housing stock and population density prediction is assumed.

In addition, rules for a common number (ID) for each real estate property will be studied to contribute to the revitalization of the real estate market, the utilization of underused or unused real estate, and the search for owners of owner-unknown land. Through these initiatives, cooperation between real estate-related data held by various entities in the public and private sectors will be promoted.

3. Provision of various information on land

By enhancing, maintaining, and updating information to be made available in a geospatial format (i.e., information on disaster risks, including inundation assumptions and local disaster history which contributes to disaster prevention and damage reduction according to the needs of society), real estate price information, and information on the Vacant Houses/Vacant Land Bank, the development and dissemination of i-Urban Revitalization technology, etc. (for visualizing urban information through 3D modeling), and the promotion of 3D city model development, utilization, and open data through "Project PLATEAU", etc., the smooth implementation of measures on land use, management, and transaction shall be achieved.

The items included in the Explanation of Important Matters for real estate transactions include whether or not the property is located in sediment or tsunami disaster alert areas. The location of the property to be transacted in the flood hazard map prepared based on the Flood Control Act (Act No. 193 of 1949) has been added to the Explanation of Important Matters, making it mandatory to explain the risk of flood before concluding a contract for the sale and purchase of real estate.

Utilizing the "Recommendations of the Task Force on Climate-related Financial Disclosures," the disclosure of information on responses to risks from climate change (e.g., disaster risks) in the real estate sector, based on TCFD⁷ recommendations, shall be promoted.

4. Development and enhancement of information infrastructure through various ledger linkage including online service initiatives, etc.

Through the linkage of registers centered on real estate registration and other ledgers, etc., of other public institutions (while considering the protection of personal information), aiming to establish a system that enables relevant administrative agencies to smoothly obtain information on landowners, real estate registration information shall be updated by introducing measures for registrars to update information on addresses, deaths, etc., through system-based information links with other public institutions, etc.

In addition to the above, information combinations from various ledgers on land in the real estate registers, etc. shall be promoted along with a review of data formats and adjustments

⁷ Abbreviation of Task Force on Climate-related Financial Disclosures

between systems to facilitate this process. The promotion of advanced coordination of information on land shall be studied, including the use of real estate numbers in the coordination of real estate registration information and fixed asset taxation ledgers.

Part 5 Matters necessary to comprehensively promote measures on land

In addition to the initiatives provided in Parts 1 to 4, in order to comprehensively promote measures on land, the following initiatives are promoted:

1. Collaboration and cooperation of the State and local public entities

In order to ensure that the measures indicated above are properly implemented, the State shall, giving consideration to the promotion of proactive and independent land policies by local public entities in cooperation with other relevant ministries and agencies, endeavor to establish a system of collaboration with local public entities by providing the necessary information and technical support that contributes to the efficiency and rationalization of operations through the provision of information on good practices, the development of guidelines, and the dispatch of experts and national officials to local public entities.

In order to facilitate the implementation of the Act for Owner-unknown Land, council meetings have been held in ten blocks throughout the country to provide information and technical support to local public entities. Collaboration and cooperation will be extensively developed with local public entities through initiatives to respond to the New Normal, such as holding online courses and providing advice by experts and the enhancement of support such as dispatching staff to Regional Development Bureaus by utilizing their knowledge of land use administration, etc.

2. Collaboration and cooperation with experts in related fields

In the future promotion of the land policy, the public and private sectors will work together to establish a system of extended collaboration among experts in related fields, local public entities, local communities, NPOs, and other relevant administrative agencies, while fully taking into account their opinions and using a framework of the above councils.

In addition, since the presence of experts, etc. that possess professional qualifications related to land and real estate, is an essential part of the social infrastructure to ensure proper land use and management, the provision of a sufficient number of experts, etc., shall be promoted from large cities to rural areas.

3. Dissemination, etc., of basic principles on land

The Basic Act for Land and the basic civil legislation have been revised, leading to a review of the system that will have a significant impact on people's lives. In this context, while releasing the White Paper on Land, the government will review activities related to "Land Month" and "Land Day," and enhance public relations activities throughout the year in response to the New Normal. In cooperation with organizations and experts in related organizations and fields, the government will also actively promote public relations activities to deepen the public's understanding of the basic principles on land and the various policies and systems based on them.

4. Procurement of funds and actors

In order to ensure that the measures indicated above are comprehensively and systematically implemented, based on a reasonable division of roles among landowners, neighborhood residents, local communities, NPOs, administrative organs, experts in related organizations and fields, the procurement of the necessary funds and various actors involved in proper land use and management (including actors who use their expertise to manage insufficiently managed, underused or unused land, actors engaged in matching coordination in the area, as well as actors who use and manage land themselves) shall be considered.

5. Initiatives for realizing a digital society

It is important to promote the digital transformation of the entire social economy. In land-related policies as well, it is necessary to promote the use of digital technology through the promotion of cooperation between the public and private sectors through standardization and disclosure of various types of information, development of a common infrastructure for data and the promotion of the use of digital technology in the private sector, etc.

In terms of promoting the further use of digital technology, the government, for example, will study the development of rules for a common number (ID) for each property that will contribute to the revitalization of the real estate market, utilization of underused or unused real estate, and the search for owners of owner-unknown land. It will also promote the coordination of real estate-related data held by various entities in the public and private sectors.

Regarding the use of digital technology in the coordination of information on land, the updating of real estate registration information shall be promoted by introducing measures to allow registrars to update information on addresses, deaths, etc., through information links with other public institutions, etc. Linkage of information shall be further promoted by improving links between real estate registration information and data on land through the use of real estate numbers in the coordination of fixed asset taxation ledgers, etc.

In terms of the use of digital technology in real estate transactions, the government, for example, will clarify that online Explanation of Important Matters in real estate transactions will be treated the same as in-person Explanation of Important Matters. To enable the electronic delivery of documents, etc. at the time of Explanation of Important Matters, the relevant provisions of the Real Estate Brokerage Act (Act No. 176 of 1952) will be revised.

Also, for various land related surveys, the government will promote the implementation of efficient surveys using digital technology by introducing efficient cadastral surveys in mountain villages through remote sensing data, etc.

6. Measures against the new coronavirus

The new coronavirus was confirmed in December 2019, and has been spreading globally since then. This infectious disease has caused an enormous impact not only on people's lives and livelihoods, but also on the social and economic situation as well as people's behavior, consciousness, and sense of values. In light of these impacts, it is necessary to develop future measures related to land, while responding to explorations of the New Normal.

The government will promote the development of land-related measures based on the response to the New Normal by further promoting initiatives for rationalization of land acquisition, using survey procedures to confirm boundaries of cadastral surveys with drawings, etc., instead of on-site visits, and promoting the introduction of survey methods that utilize remote sensing data, etc.

Efficiency of land-related measures will be improved while responding to the New Normal through the use of digital technology as indicated in 5. of Part 5.

Public relations activities will be strengthened throughout the year in response to the New Normal to deepen the public's understanding of Basic Principles on Land, various policies and systems.

7. Timely review by implementing the PDCA cycle

In order to ensure the effectiveness of the measures indicated above, the necessary review of this policy shall be conducted in a timely manner in light of changes in the social and economic situations by implementing the PDCA cycle⁸, including appropriate follow-up on the implementation status of the respective measures with a periodical analysis and evaluation of the effects of the measures.

⁸ A management method that promotes continuous improvement by incorporating the four viewpoints of Plan (P), Do (D), Check (C), and Act (A) in the process, which makes the process a continual cycle.