

REAL ESTATE ESTIMATION IN THE CONTEXT OF THE EUROPEAN UNION INTEGRATION OF ROMANIA

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INTRODUCTION

- ANEVAR: The business level in estimations domain grows each year in Romania, being sustained by the real estate estimation (70% of the total amount of estimations)
- The integration into the new social and economical structure, at a continental level, requires the harmonization of the settlements concerning the real estate estimation domain, congruent with those used in European and worldwide countries
- It is extremely important that the “actors” on the real estate market have access to relevant and credible information, solid analyses, clear opinions on the values of the domains, and also the right to receive advisory in a large gamut of problems concerning real estates and other types of domains (enterprises, corporal and not corporal goods)

THE INTERNATIONAL FRAMEWORK OF REAL ESTATE ESTIMATION ACTIVITY

- **The European Estimators Associations Group – TEGoVA** (since 1977) elaborate and promote common standards for settling the estimation activity concerning the real estates, compatible with the international IVSC standards. *Blue Book* (2008) has the next goals: assisting the estimators in elaborating good estimating rapports; promoting the coherence and transparency for using definition standards of the values and methods of estimation
- **Royal Institution of Chartered Surveyors – RICS** plays an important educative and organizatoric role for the hole Great Britain real estate estimation activity, sets a number of standards for establishing standards for entering the estimator profession for anyone who would like to practice this job, standards for fullfilling the estimations and also standards for the professional ethics. *Red Book* brings together different types of missions that Great Britain estimators can accomplish: *valuation, appraisal, calculation of worth, survey, inside estimators, outside estimators, independent estimators*

THE INTERNATIONAL FRAMEWORK OF REAL ESTATE ESTIMATION ACTIVITY

- **Valuation Office Agency – VOA** is a United Kingdom government agency, that achieves estimations in the taxation purpose and offers consultancy in expropriation cases, in connection to the prices that should be taken in consideration when the local or central authority sells the real estates. The most important goals are: assuring prompt and equitable services to the clients; keeping the objectivity in the estimation missions; assuring an estimation solide base
- **HM Land Registry** is the responsible institution in charge with the activity of recording the real estates in the United Kingdom organized at a regional level. It is a United Kingdom Government departement, an executive agency and a comercial asset that has to develop and mentain the stability and efficiency of the real estate registration, has to guarantee the title for the real estates and the land rate, to offer free access to up-to-date informations about the lands, permitting the display of trustfull real estate proprieties

THE INTERNATIONAL FRAMEWORK OF REAL ESTATE ESTIMATION ACTIVITY

- **Real estate estimations in France**, according to the definition in the *Real Estate Estimation Expertise Book* is “a specialist in estimation of different rights art, in which the real estates represent the support”. The real estate estimating expert can do different types of expertise: estimation (real estate expertise), value note, real estate consultancy
- **The French Real Estate Expertise Institute – IFEI** (since 1979) has the main goals: bringing a plus to the working methods, to the terminology and techniques; elaborating a deontological code of the estimator; reflecting on professional problems and methods of real estate estimation. *Real Estate Estimation Expertise Book* contain: general conditions of expertise exertion in real estate estimation, methodological guide regarding the active real estates estimation, deontological principle that are applied in experts case in real estate estimation

THE INTERNATIONAL FRAMEWORK OF REAL ESTATE ESTIMATION ACTIVITY

- **Real Estate estimations in USA** is one of the most organized and efficient systems worldwide. Each state has its own data base that can be accessed by the professional estimators against a tax. There are, as well, links to a huge number of governmental and non-governmental institutions, that interfere in direct or indirect ways in the estimation activity and/or give the necessary information for the estimation process.
- **Appraisal Institute – AI** is one of the most famous professional estimating associations in USA, an international recognized authority that has over 90 branches worldwide. **Appraiser Qualifications Board (AQB)** – the qualifying estimators committee recognizes four categories of real estate estimators, considering the grade and form of training: *probationer estimator, graduate residential real estate estimator, residential real estates expert estimator, general real estate estimator expert*. The standards components are: *Uniform Standards of Professional Estimation Practice (USPAP), Certification Standard (of the Appraisal Institute), Professional Practice Estimation Standards Guide (GN) – Appraisal Institute*

THE INTERNATIONAL FRAMEWORK OF REAL ESTATE ESTIMATION ACTIVITY

- **American Society of Appraisers – ASA** has different types of qualifications that a candidate of the title of ASA member can obtain on the bases of promoting a series of exams, with the help of realizing a number of representative estimating rapports, proving that he has experience a number of years in estimating and if he is superior studies degrees: AM – accredited member; ASA – accredited estimator senior; MGA - jewel estimator; FASA – the qualification that an estimator can obtain, after he brought extraordinary contributions to the estimator profession or to the society
- **Building Owners and Managers Association (BOMA)** is an organization whose purpose is promoting the agreement between persons direct involved in activities that are connected to real estates, to the way this industry works and its role in society, through different ways. ***BOMA Standard*** is used for distances and volumes of old and new buildings measuring, with the purpose of estimating, first appeared in 1915 in the USA, being accepted as a national standard and being reviewed for a number of times during the years

THE INTERNATIONAL FRAMEWORK OF REAL ESTATE ESTIMATION ACTIVITY

- **The International Estimation Standards Committee - IVSC** is a non-profitable association with the international centre at London and its goals are: the development of international estimation standards and reports that satisfy the needs of financial rapport, those of international markets and international business market; the development of international estimation standards and rapport that satisfy the necessities of developed and in course of developing countries and giving them consultancy in using them; the identification and presenting situations in which national standards are different to the international ones and specific activities with the purpose of better compatibility and harmonization of specific settlements of each countries with the use of *International Estimation Standards IVS. IVSC Structure: The Fundamental Concepts of General Accepted Estimation Principles (GAVP), The Deontological Code, The Introduction to Standards, International Practice Standards in Estimations (GN)*

THE NATIONAL FRAME OF THE REAL ESTATE ACTIVITY

- **ANEVAR** is a professional, non-profitable, nongovernmental, independent association that acts for the public interest and promotes the methods and techniques of estimation through specific means (over 5500 members and over 250 juridical persons associated)
- *ANEVAR's activity* is structured in four sections: enterprise estimation, real estate estimation, mobile goods estimation, financial actives estimation
- ANEVAR achieved the international recognize in estimating domain, establishing cooperation relations with professional associations in USA, United Kingdom and other European associations with the same profile
- For accomplishing the estimation documentation there are a few steps that have to be made: picking up real estate characteristics by an estimator, centralization and analysis of the data and information, elaborating the real estate rapport

CONCLUSIONS

- The International Estimation Standards were conceived with the purpose of making the international sales of properties easier and for contributing to the viability of worldwide markets, promoting the transparency in financial rapport
- At an international level there are preoccupations concerning the estimation of real estates activity, administrated by a series of specialized organisms: TEGoVA, IVSC, RICS, Appraisal Institute etc., that elaborated settlements and estimating standards
- Only by organizing continuous qualification and training courses in this domain, the waited effects will not be obtained in all the countries that adopt these standards and settlements. It is imposed that profile legislation is adopted
- Each country has its own characteristics. In countries that are in development process the assurance of compatibility of intern conditions with the international or regional standards and settlements involves huge use of time and resources
- Nowadays, the main tendency is to adopt and adapt the International Estimating Standards IVSC to the national and regional realities, as a result of economical, social and political processes in Europe but also worldwide
- Romania shows actively this tendency, tending to assure the law frame necessary in the domain and the correct adapt of the International Estimation Standards in the existing social and economical situation

Thank You!