

Meeting 15.03.2023



**Co-funded by
the European Union**

**Meeting Q&As,
Valuation subject, scope, purpose,
valuation report assumptions,
valuation report basis (formal, legal)**

Meeting Q&As

- **Recording issues:**
 - everything that happens in the main room will be recorded,
 - turn off your camera, if you do not want the video to show your face,
 - once you are assigned to breakout rooms, you will not be recorded.
- **Breakout rooms:**
 - turn on your cameras and mikes – you are not recorded any more.
- **Individual tasks:** www.quizbrary.com option: find a quiz using code 800400.
Once you have clicked the question, you cannot change it. You can always refresh the test clicking on the refresh button.
- **Listening:**
 - open a new tab to listen to the recording,
 - if you do your individual task while listening, open the task on e.g. your mobile phone.
- **The PowerPoint presentation** will be available at <https://e4valuers.eu/>

Introduction

1. My name is
2. I have been working as a property valuer for/ I am a
3. I specialise in valuating
4. Apart from this I am also interested in

Types of real property

RECORDING IS ON !!!

- **AGRICULTURAL** = the property that provides crops, where we can raise animals and grow plants (trees, orchards, etc.),
- **RESIDENTIAL** = different kinds of houses for living,
- **COMMERCIAL** = property that contains business activity,
- **INDUSTRIAL** = buildings such as warehouses, power plants, and factories.
- **MIXED-USE** = the property that has multiple uses for that property.
- **SPECIAL PURPOSE** = the property that is usually publicly held, e.g. schools, libraries, parks, cemeteries etc.

PROPERTY VS A PROPERTY (Uncountable vs countable)

- **Property: Uncountable** = ownership is emphasized:
intellectual property, personal property, stolen property, real property
- **A property: Countable** (plural: properties) = land and buildings on it: He owns several residential properties in Gdańsk.

Individual task (Quizbrary): Lesson 1, Task 1

PROPERTY: Property is a term that refers to something owned by a person or a business. This includes **tangible** things and **intangible** things. They can be **movable** or **immovable**.

- **Tangible** things = the land, vehicles and buildings,
- **Intangible** things = a source or element of income or wealth, intellectual property
- **Movable** things = household goods (furniture and appliances), animals, vehicles, machinery and equipment, intellectual property, stocks, bonds
- **Immovable** things = land and any permanent developments attached to the land
 - man-made = buildings, fences, bridges, other fixtures, water pipes or sewer pipes, landscaping,
 - natural = water, trees, and minerals

REAL PROPERTY VS REAL ESTATE

REAL PROPERTY	REAL ESTATE
Real property includes the land itself and any buildings and other improvements attached to the land that a person or a business has legal title over.	Real estate involves land and the buildings on it, along with natural resources like trees, minerals and water.
Individual task: Lesson 1, Task 2	

Meeting the client/customer

A client, we are obligated to promote and protect their best interests in a property transaction.

A customer, we do not have that obligation, but we are still required to treat them with fairness, honesty and integrity.

- using plural they/them/ their instead of he/she/his/her/him/her

Individual task: Lesson 1, Task 3

Valuation subject (the subject of valuation)

The subject of (the) valuation is the property located in
....., comprising land plots/ buildings/
undeveloped/developed

Valuation scope/object

The valuation scope comprises the determination of the market value of the ownership right to the property as of the date of inspection. The scope of the valuation will be referred to as the **object** of the valuation.

The trouble with “object”

OBJECT	FACILITY	STRUCTURE	OBIEKT
<p>A thing that you can see or touch e.g.</p> <p>a collection of precious objects</p> <p>a strange object in the sky</p>			<p>przedmiot/rzecz</p>
<p>A result:</p> <p>e.g. The object of the exercise is to improve communication skills</p>			<p>cel</p>
	<p>a place, especially including buildings, where a particular activity happens</p> <p>e.g. a military facility</p> <p>a new sports facility</p>	<p>Something that has been built and physically exists at a specified location, such as a building, garage etc.</p>	<p>obiekt (budynek)</p>

Individual task: Lesson1, Task 4

Valuation purpose

Valuation is required for many reasons, including:

- tax assessment
- qualifying for a mortgage
- selling or buying
- wills, divorce settlements, abolition of co-ownership ,
- business analysis, financial reporting, mergers, acquisitions, sale of securities

Individual Task: Lesson 1,Task 5

Sources of information necessary for property valuation

- Who requires the valuation?

A natural/physical person:

- the owner - a (Land) title deed or a declaration
- or a **statutory representative**: the power of attorney (POA)

An **artificial**/legal/juridical/fictitious **person** (court, commune, prosecutor's office) - legal grounds

- Full access to the property/ on-site inspection (wizja lokalna),
- The database of the transaction prices concluded in the local market,
- Land and building register (EGiB) (comprises land, building and residential or commercial premises records)
- The land and mortgage register (KW)
- The local spatial development plan/master plan/the land utilisation plan/ the spatial development plan (miejscowy plan zagospodarowania)

Individual Task: Lesson1, Task 6

Role play (task 7) – you will be divided into breakout rooms!!!

Version 1

- **Role A (Customer):** You are a representative of the property owner, the real property to be valued is a residential property in a multifamily housing, still inhabited by some tenants, purpose: qualifying for a mortgage
- **Role B (Property Valuer):** ask all necessary questions and explain what documents/information you will need, arrange an onsite inspection, explain how much time it will take and negotiate your remuneration (wynagrodzenie)

Version 2

- **Role A (Customer):** a co- owner, the real property to be valued is a developed agricultural property, purpose: abolition of co-ownership
- **Role B (Property valuer):** ask all necessary questions and explain what documents/information you will need, arrange an onsite inspection, explain how much time it will take and negotiate your remuneration (wynagrodzenie)

Valuation Report basis

- **Formal basis**

The formal basis for the valuation is the order/request of// the contract/agreement between

- **Legal framework**

1. **Real Estate Management Act** of August 21st,1997 (Journal of Laws of 2021, no. 1899 **as amended**);

2. **Regulation of the Council of Ministers** of September 21st, 2004 **on property valuation and preparing valuation reports** (Journal of Laws of 2004, no. 207, item 2109 as amended);

3. **Act** of April 23rd, 1964, **Civil Code** (Journal of Laws of 2020, item 1740, as amended);

4. **Act** of July 6th, 1982 on **Land and Mortgage Registers** (**Journal of Laws** no. 19, item 147 of 1982, as amended).

Legal framework vocabulary

1. **Real Estate Management Act** of August 21st,1997 (Journal of Laws of 2021, no. 1899 as amended);
1. Ustawa z dnia 21 sierpnia 1997 r. o gospodarce nieruchomościami (Dz. U. z 2021 roku Numer 1899 z późn. zm);

2. **Regulation of the Council of Ministers** of September 21st, 2004 **on property valuation and preparing valuation reports** (Journal of Laws of 2004, no. 207, item 2109 as amended);
2. Rozporządzenie Rady Ministrów z dnia 21 września 2004 r. w sprawie wyceny nieruchomości i sporządzania operatu szacunkowego (Dz. U. Nr 207 poz. 2109 z 2004 r. z późniejszymi zmianami.);

3. **Act** of April 23rd, 1964, **Civil Code** (Journal of Laws of 2020, item 1740, as amended);
3. Ustawa z dnia 23 kwietnia 1964 r. Kodeks cywilny (Dz. U. z 2020 r. poz. 1740 z późniejszymi zmianami);

4. **Act** of July 6th, 1982 on Land and Mortgage Registers (Journal of Laws no. 19, item 147 of 1982, as amended).
4. Ustawa z dnia 6 lipca 1982 r. o księgach wieczystych i hipotece (Dz. U. nr 19 poz.147 z 1982 r. z późn. zmianami);

Z późniejszymi zmianami -= as amended

Methodology is based on:

Common National Valuation Principles (PKZW - Powszechnie Krajowe Zasady Wyceny)

A “**rule**” is an authoritative statement of what to do or not to do in a specific situation. It is issued by an appropriate person or body. It clarifies, demarcates or interprets a law or policy.

A “**principle**” is a fundamental truth or concept that serves as the foundation for a system of belief or behaviour.

Individual task (listening): Lesson1, Task 8 (3:38min)

<https://www.youtube.com/watch?v=tlBoxt0ohg0>

THANK YOU FOR TODAY'S MEETING