

Land is not everything, but to invest to it is always worthy



Author: SF / Juraj Pokorný | Published: 10.03.2009

Foregone discussion meetings of the Internet magazine Stavebné fórum.sk called Purchase of the building land - safe investment in the time of uncertainty overcame the set frame of topics in several aspects and created the visual interdisciplinary platform by generous occurrence of points of contact among professions of active speakers. Jozef Foltýn from ProFiCon Company, who moderated the entire event, endeavoured to it to not less extend, in the presentation part and the discussion one as well which he guided with virtuosity, added facts, met thought relation there not once, where it was not seemingly.

To look into the history of rights transition

The legal audit - it is the first process, which ought to forego land purchase, according to the lawyer Soňa Hanková from Salans Europe LLP Company. What everything is needed be checked-up? The way of obtaining, validity of acquired titles, keeping hypothecs, access possibility (either from a communication or thought adjacent lands by the establishment of real burden), restitutions or revisions of the planning schemes in the locality eventually have to be checked-up. From the Register we cannot read everything - for example transition among related persons from past. If it is documented insubstantially, the ownership becomes disputable and who purchased badly, has no choice and has to seek for damages compensation at the reputed owner. If the price is very low, it will be reasonable to find, whether the seller is not in financial problems or in bankruptcy very likely, by Hanková. The task of the investor is to verify whether he is building on the land to which he has the acquiring title.

Attention, do not buy this land! - also such aim can fulfil the remark about public sale launching, right of lien execution or action for falseness of property right according to Marta Koprdoová from the Office of Geodetics, Cartography and Registry of SR. In her opinion it is necessary to check-up the history of the rights transition 10 years backwards at latest; it means whether the acquiring right was transited to the current owner rightfully. That is why the range of remarks enlarges, which should warn the interested person from the situation restraining his right to handle the land. The Real Estate Register is the biggest operational system of real estates registration. It contains their list, geometric determination and description of rights (possessive, rental, lien, administrative and first refusal), which relate to them. Koprdoová appraised the Real Estate Register work regarding the rule of publicity (excluding collection of documents, where the access is restricted excluding the owner), plausibility (the data are plausible unless it is otherwise proved), free scope (motion for deposit is strictly proposal-kind one, the Register cannot act

itself) and priority (motions are solved in the order, in which they were applied).



Long-term appreciated commodity

Juraj Nagy, the director of the Institution of Building Economy set right everybody, who thought till now that the land price estimation is an easy matter. As he notified, the expert's statement does not set the price, but the general value. While answering his own question, why prices of lands drop from the 30 thousand top at Slavín to 2500 at Malinovo, he clarified the methodology of its determination by comparative methodology, income methodology and location differentiation methodology. „The general value is not calculated but determined, “Nagy pointed out and added that using the mathematical formula $V\check{S}HPOZ = M \text{ (area in m}^2\text{)} \times V\check{S}HMJ \text{ (unit opening value)}$ - is only an auxiliary tool. And what makes the expert to be an expert? Ability to follow specifics of the local market, the town-planning scheme, movements of strategy investors, the bank sector, interests of the state and a lot of other factors.

For the question whether land is the correct investment, Michal Roth (Lexus) answered positively. And he reasoned it immediately: it is the commodity in limited amount, price of which will be rising-up long-term due to still lower offer of the market. However, because fast evaluation of land is not expected, it cannot be speculative investment. As he reminded, lands prices development shows entirely bigger stability than in case of flats. The building-up of family houses in Bratislava is breaking by the weak choice of today mostly sold out individual lands involving suitable infrastructure and accessibility. For the remark of the moderator, that Kitsee was "fight" or - as he told word for word - „annexed“by Slovaks, Roth reacted by the opinion that real estates purchasing in Austria is up-to-date trend and the positive in the form of low prices will not be balanced by negatives like other cultural environment or remaining prepositions against the Eastern European people.

Space without complexity drops in the price

The time came during the crisis to „clean off the firm“, which will not get along without identification of

key peoples and re-evaluation of clients portfolio. Such frostbitten affecting guide offered Zuzana Kalmanová, the director of the architectonic atelier Siebert + Talaš. „Maybe just now, when some foreigner investors have deleted Slovakia from their intentions, makes actual the question whether to address public sector, she remarked. Architect Roman Talaš pointed out different mission of an architect, who is here for that to see ten years forward. He perceives him like a consultant for those, who intends to buy the building land, but do not know, what and in which volume to build-up on it. For that he needs reliable and precise information. In this relation he bid villages to deal with the planning scheme like priority. Investors lost money by never-ending delays and localities stay non-urbanized.

If complexity of the space is not ensured, its value substantially drops - this Talaš statement ought to be considered as one of the most important thought result of the discussion meeting. He was inspired by the question from plenum to express the statement, what he would prefer for the same price: three-roomed flat in the wider centre or the family house with land at Rovinka. And he was not the only one, who decided for the first possibility. „Strong motive for return back to the city is usually the finding of a mother that her position degraded to be a taxi driver for her own children,“ moderator Jozef Foltýn added the common reflection on causes of Bratislava inhabitants' massive exodus to satellite townships and their current „repatriation“. So the statement that land is not everything need not be wrong at the end.

For the fundamental question of the discussion, whether investment to the building land means right decision in the uncertain times, he replied joking: „If you envelope with a good architect, a banker, an estate consultant and the Real Estate Register will also fulfil all duties, so the purchase of land will become very good investment from the long-term period point of view.“ However he assumes to strictly differentiate the economic crisis and the financial crises, which activated it. „Neither the biggest artist knows, how deep we will fall nor how long it will last. All the market economy is just psychology. The mass psychosis burst out from waiting what will come. Everybody check himself in consumption and investment. As less we will consume as longer the crisis will be getting deepen“ Foltýn closed.

Illustration photo - Siebert + Talaš

10.03.2009 08:00, SF / Juraj Pokorný