



THE ISSUE OF PRICE FORMATION FOR EVALUATION SERVICES IN THE REPUBLIC OF MOLDOVA

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ABSTRACT: Valuation is a comparatively new activity for the Republic of Moldova. The problem of pricing of valuation services is extremely acute. The high level of knowledge and skills necessary for an appraiser to provide quality advice implies the need for appropriate remuneration. However, applicants for valuation services required by law perceive the valuation of property analogous to requesting a document from state institutions, i.e. the cost of the valuation report is perceived at the same level. In the present study the author provides an analysis of the national legislation, highlighting the contradictions between the legislation on valuation activity and the provisions of the Moldovan occupational classifier. A broad analysis of the value of valuation services under the conditions of the Republic of Moldova is carried out. Three points of view are applied on the value of an hour of work of an appraiser depending on his/her qualification and experience. The existing differences in pricing of valuation services depending on the organizational-legal form of the valuation enterprise are highlighted.

**NEW TRENDS IN REGULATING APPRAISAL ACTIVITIES IN THE REPUBLIC OF MOLDOVA:
THEIR IMPACT AND CONSEQUENCES**

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ABSTRACT: Real estate valuation is a new type of economic activities that has emerged in the Republic of Moldova relatively recently and thus needs to be fine-tuned and regulated. International practices know two types of regulating appraisal activities: non-government organisations of valuers (self-regulation) and the type involving state regulation to this or that extent. The type of regulating appraisal activities that is most common in emerging economies is state regulation jointly with NGOs of appraisers. The extent of state regulation in the general system of organising appraisal activities is still the focus of attention for researchers and practitioners in the field of real estate valuation. The author examines diverse approaches to regulation of appraisal activities and discusses their strengths and weaknesses for the purpose of analysing the most recent amendments to Moldova's legal act on appraisal activities and identifying possible impact and consequences of their practical application. The conclusion arrived at is that the ambiguous trends in the development of appraisal activities increase the risk of state interference in appraisal activities and violations of the fundamental real estate valuation principles, including the valuation confidentiality principle, which is generally contrary to the international mainstream development of appraisal activities. The article also suggests certain measures for further development and improvement of the ways real estate valuation can be organised as an activity.

METHODOLOGICAL ISSUES IN DEVELOPING MASS APPRAISAL MODELS IN THE CONTEXT OF A WEAK PROPERTY MARKET

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ABSTRACT: This article examines the methodological aspects essential for developing mass valuation models in a developing real estate market, particularly underdeveloped in rural areas, such as that of the Republic of Moldova. Against the backdrop of a market characterized by specific challenges, the article analyzes fundamental processes in depth, including the rigorous collection and verification of real estate transaction data, which are crucial for ensuring the accuracy of valuation models. Additionally, methods for integrating information on the socio-economic development of localities are discussed, a vital aspect for accurately reflecting the local context. Central to this process is the identification of influential factors, from the physical characteristics of properties to market dynamics, along with the application of modeling techniques designed to optimize these variables within the final model. Moreover, the calibration and adjustment of valuation models represent an ongoing process, ensuring adaptability to market changes. Of paramount importance is the validation of results, extensively addressed as a core element in market value-based taxation systems. Through a deep understanding of these aspects, authorities and valuers can contribute to the modernization and efficiency of mass valuation processes, ensuring a transparent, precise, and tailored mass valuation system that meets the specific needs of the developing real estate market in the Republic of Moldova.



REAL ESTATE ASSESSMENT: A KEY FACTOR FOR EFFICIENT GOVERNANCE AND SUSTAINABLE DEVELOPMENT IN THE REPUBLIC OF MOLDOVA

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ABSTRACT: This article examines the mass appraisal system of real estate in the Republic of Moldova, providing a detailed analysis of the current state and key issues that impact the efficiency and fairness of this system. The study identifies and explores challenges related to the quality of market data, appraisal methodology, and institutional aspects, all of which significantly affect evaluation outcomes and the country's economic indicators. The identified issues are discussed extensively, including their negative effects on local budgets and public perception of the taxation system. Finally, the article presents a series of recommendations aimed at improving the transparency, accuracy, and fairness of the appraisal process, offering concrete solutions to optimize the mass appraisal system for real estate in order to better meet the current economic and social demands of the Republic of Moldova.

INFLUENCE OF MACROECONOMIC FACTORS ON THE VALUE OF RESIDENTIAL REAL ESTATE IN THE REPUBLIC OF MOLDOVA

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ABSTRACT: At present, residential real estate is an important direction for investment in the Republic of Moldova. The real estate market, like any other, is an open system that is influenced by both internal and external environment. Therefore, for a deeper assessment it is necessary to identify the dominant macroeconomic influencing factors and to determine stable cause-effect relationships between them. This article analyzes the macroeconomic factors influencing real estate values, including the refinancing rate of the National Bank of Moldova, inflation, the price index of construction works, construction investment and mortgage lending conditions. Each of these factors was found to contribute to the expected change in the value of the residential real estate. The influence of macroeconomic factors on the value of residential real estate is examined on the example of the real estate market in mun. Chisinau as the most developed real estate market in the Republic of Moldova. Based on the analysis of statistical data and data collected from the market, this article presents conclusions on the development of the residential real estate market. The results of the study may be useful to all those who operate on the residential real estate market, provide advice to investors and real estate developers or conduct research on real estate.

OPTIMIZING REAL ESTATE VALUATION THROUGH SPATIAL DATA

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ABSTRACT: The real estate valuation process has undergone significant transformation in recent years, primarily driven by advancements in technology and data analysis. This study aims to explore the integration of spatial data into real estate valuation process, highlighting its importance in understanding market dynamics. Using a comprehensive literature review and case studies, the research examines the evolution of spatial data from basic geographic representations to complex, multidimensional datasets. Key components of spatial data – geometry, topology and attributes – are analyzed for their role in real estate valuation. Findings indicate that spatial data enhances real estate valuation by providing critical insights into location-based factors such as connectivity, proximity to amenities, and zoning regulations. The study reveals that geometric representations help delineate property boundaries and building footprints, while topological relationships inform about accessibility. Additionally, attribute data enriches the analysis by incorporating economic indicators and environmental factors. The significance of this research lies in its contribution to the understanding of how spatial data can optimize real estate valuations. By integrating both vector and raster data types, the study underscores the potential for improved decision-making in the real estate valuation process. Ultimately, this work advocates for a more nuanced approach to property valuation that leverages technological advancements in spatial data analysis, thereby enhancing the effectiveness of real estate practices in a rapidly evolving market landscape.



RESEARCH OF INTERNATIONAL PRACTICES IN DETERMINING LONG-TERM VALUE OR PRUDENT VALUE OF REAL ESTATE

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ABSTRACT: Among the current challenges of the valuation profession are a number of new topics, but the main ones remain the introduction of ESG factors in valuation and the concept of prudent value. The prudent value is not yet mandatory, but this concept will be implemented with the updated version of the Regulation on capital requirements no. 575/2013 of the European Union (EU).

The paper contains the research of international practice regarding the prudent valuation of assets or long-term value and how they are implemented in practice, as well as how we implement the provisions of Basel III (common rules for the assessment and management of various types of risks associated with the financial field). By aligning with Basel III, there will also be a harmonization of the understanding on the value of real estate and loans that have as their object the financing of real estate, creating a fair and comparable basis in all member states. This will not only lead to a uniform international treatment of exposures secured by real estate, but will also lead to a harmonization of valuation practices, especially where there are national practices and regulations between EU Member States.



METHODOLOGICAL AND PRACTICAL ASPECTS OF DETERMINING FUNCTIONAL DEPRECIATION OF BUILDINGS APPLYING THE COST METHOD

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ABSTRACT: The paper discusses the complexity of functional evaluation of buildings and focuses on the need for higher attention to functional depreciation in current appraisal practices. Within the cost method context, functional depreciation is often overlooked or insufficiently researched - notwithstanding its significant impact on the final value of real estate. The paper presents an analysis of the functional depreciation appraisal theory and addresses certain fundamental methodological aspects as well as the challenges faced by practitioners in this respect.

Within this context, the paper highlights gaps in the current research and practices of appraising functional depreciation and arrives at certain conclusions that suggest the need for a more standardized and flexible methodology.

The primary goal of the research is to raise awareness of the importance of functional depreciation in appraisal practices and to suggest that the aspect concerned complements as well as enhances the accuracy of valuations, contributing to a more accurate appraisal of the actual real estate value.

PROPERTY RISK MANAGEMENT, PROBLEMS AND SOLUTIONS IDENTIFIED IN EU MEMBER COUNTRIES

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ABSTRACT: The process of risks management associated with real estate properties requires the involvement of all factors, both those with management positions and those with executive duties, by establishing clear responsibilities at the level of all organizational and decision-making structures. In this article, are presented and examined the problems associated with real estate property risks: economical, technical, legal and environmental risks. Solutions identified within the EU to overcome the problems caused by the risks generated by real estate properties: Risk Analysis and Assessment, Insurance, Proactive Planning and Management, Technologies and Innovations, Compliance and Consulting. Examples from EU member countries are being studied: Germany - Advanced Comprehensive Monitoring and Insurance Systems, France - Strict Energy Efficiency Regulations, Compliance Consulting, Netherlands -Ecological Remediation Projects, Advanced Insurance Systems.

The management of risks associated with real estate is an important means by which an efficient and effective internal managerial control system is implemented at the national level. An effective risks management associated with real estate that includes economic, technical, legal and environmental risks requires that the entire risk management process be permanent and ensure the connection to the process of continuous change and adaptation. In the conclusions, suggestions are presented for overcoming the risks associated with real estate properties based on the experience of the EU member countries, how they can be used in the Republic of Moldova and the future perspectives.



THE IMPORTANCE OF GREEN CERTIFICATES IN THE CONSTRUCTION SECTOR OF THE REPUBLIC OF MOLDOVA IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT: LEGISLATIVE FRAMEWORK AND INTERNATIONAL CHALLENGES

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ABSTRACT: In a global context where climate change and the transition to renewable energy sources are major priorities, the Republic of Moldova is undergoing a transformation of its energy sector aimed at improving its sustainability and efficiency. A key element of this transition is green certificates, which are used to stimulate the production of energy from renewable sources.

This article examines several relevant aspects that highlight the importance of green certificates in the construction sector of the Republic of Moldova within the framework of sustainable development. We analyze the national and international legislative framework that supports the implementation of green certificates, as well as the international analysis related to green certificates and examples of countries that have successfully integrated these mechanisms to enhance energy efficiency in construction. Additionally, the article emphasizes the importance of implementing green certificates for the Republic of Moldova, considering the significant potential for reducing carbon emissions and promoting sustainable construction practices. Additionally, we address the positive impact that green certificates could have on the local economy, including the creation of jobs in the green construction sector and the attraction of foreign investments.



RESEARCH ON TECHNOLOGICAL INNOVATIONS IN PROPERTY MANAGEMENT IN THE EU

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ABSTRACT: This article examines the main emerging technologies used in real estate management in the countries of the European Union such as: Internet of Things – IoT, Augmented Reality, Artificial Intelligence, the main research and development projects of real estate management: Horizon 2020 - EU program that finances research and innovation projects, including real estate management and smart buildings. The "Smart City" project aims to develop smart cities by renovating existing buildings and implementing sustainable energy solutions. Examples of successful implementations of technological innovations: Sweden - new buildings are equipped with building management systems (BMS) using IoT and AI, Germany - old buildings are upgraded to meet Passivhaus standards, using advanced insulation and controlled ventilation technologies for optimizing energy consumption and security, France- digital real estate management platforms used to centralize property data. All these innovations allow the optimization of resource management and the facilitation of communication between owners, tenants and administrators. What are the challenges and future perspectives, the benefits of implementing and how they can be used in the Republic of Moldova are presented in the conclusions.



FROM FACTORIES TO INDUSTRIAL PARKS: DEVELOPMENT TRENDS AND INTEGRATION IN THE CONTEXT OF SUSTAINABLE DEVELOPMENT

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ABSTRACT: Industrial assets represent a significant segment of the real estate and economic market in the Republic of Moldova. Due to economic and external factors such as inflation, the Covid-19 pandemic, and the uncertainty caused by the conflict in the neighboring country, there has been an increase in the number of properties not being used according to their intended purpose. This situation has created the need to reintegrate these assets into the economic cycle.

In this article, we examine the necessity of developing industrial spaces from the perspective of their current use and the existing conditions for sustainable development and economic efficiency. We analyze the existing regulatory and legislative framework in the Republic of Moldova to evaluate the legal measures and tools required for restoring an old factory into an industrial park. Specifically, it is important to identify the conditions and facilities offered by current legislation that could contribute to optimizing conversion processes and attracting investments for the development of new economic activities in these areas. This approach offers the best solution, as it simultaneously addresses economic, social, and technological factors to promote the development of both the asset and the economy as a whole.



RECYCLING OF CONSTRUCTION AND DEMOLITION WASTE – AN IMPORTANT STEP TOWARDS SUSTAINABLE DEVELOPMENT

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ABSTRACT: Protecting the environment is a desire of today's generations, who have begun to be more and more concerned with identifying real solutions in the direction of waste recycling. The correct approach to the problem of waste from construction and demolition is a priority for modern society. The European Union's main goal is to apply an appropriate approach, which will eliminate the negative effect on the environment and contribute to the development of the circular economy by reusing waste as completely as possible. The construction sector is one of the biggest generators of such waste and, for this reason, companies operating in this branch of the economy are obliged to set up a process to guarantee the correct disposal of this waste. This article presents general information about the recycling of materials from constructions and demolitions and what is the recommended procedure to avoid serious problems which could affect the environment, but also to make economic processes more efficient.



ECONOMIC CADASTRE AS AN INTEGRAL PART OF THE MULTIFUNCTIONAL CADASTRE

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ABSTRACT: The authors discuss the concept of the multifunctional real estate cadastre, its purpose and components as well as the institutional system created for the real estate cadastre in the Republic of Moldova. Special focus is made on the economic cadastre as part of the multifunctional real estate cadastre system; the economic cadastre is a subsystem containing information on market values of all real estate items registered in the cadastre. The data on appraised values of real estate as well as technical and economic characteristics of the real estate items concerned, which are important indicators for the economic cadastre, require ongoing updating and refining. This is due to continuous changes in the real estate market situation as well as changes in the technical state of real estate items and new developments in the techniques applied for the purpose of overhauling the existing buildings and structures and in new construction projects. The authors emphasise the importance of integrating legal, technical and value characteristics of real estate in the multifunctional cadastre system and research the impact of such land information systems on the economic development of settlements and regions, improvements in public policies, growth of local budgets and attraction of foreign investments. The authors suggest certain measures for further development and improvement of the real estate cadastre based on the analysis of international experience and practices.



CONCEPTUAL AND COMPETITIVE APPROACHES TO CONSTRUCTION LABOR WAGES

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ABSTRACT: Remuneration for work in all branches of the national economy is the main source of income for any employee, the basis of the material well-being of his family members and one of the most effective means of co-interest of the worker in the qualitative realization of works with major achievements.

The transition to the market economy profoundly changed the content of the entire activity of organizing labor remuneration. State institutions have forced themselves to detach themselves from any management of labor remuneration and its level, leaving in its responsibility only the establishment of the minimum wage. The reform carried out in the years 2000-2003 in the field of price formation in construction by switching to the resource method and the new indicators of estimate norms also led to new approaches in the field of labor remuneration in construction enterprises.

The correct determination of wages by entrepreneurs based on accounting data is an important factor in winning tenders, the adequate remuneration of workers and, respectively, the stability of the labor force in the enterprise. The calculation methodology provided for in the normative acts tends to ensure healthy competition between construction companies on the market in the Republic of Moldova.

SOLUTIONS TO ENSURE THE SUSTAINABILITY OF TRADITIONAL HOUSES IN MOLDOVA

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ABSTRACT: Ensuring thermal energy conservation in traditional winter dwelling houses in rural areas of the Republic of Moldova is a current problem as the prices of thermal energy generation resources are constantly increasing. Advances in the construction industry indicate a shift towards energy efficiency with minimal or even close to zero consumption. The authors propose an analysis of current technologies and materials for thermal insulation of walls aimed at increasing the energy efficiency of traditional dwelling houses, while respecting the principles of sustainability and preserving the architectural authenticity of facades. The study aims to recommend cost-effective practical solutions to help promote energy-efficient traditional housing. The ordering of thermal insulation solutions for traditional houses according to technical performance differs from their ordering according to economic criteria.

Applying the Maximum Overall Utility method to meet the criterion "maximum energy performance at minimum cost", it was found that the best thermal insulation solutions are those with: (1) cellulose boards, (2) wool boards, (3) cork boards, (4) expanded polystyrene, (5) mineral wool.