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THE ROLE AND THE IMPORTANCE OF REAL ESTATE ADMINISTRATION IN ROMANIA

BY

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Abstract. The development of this domain, of real estate administration, appeared as being vitally necessary, due to the fact that, in Romania, private property has the majority as compared to public property.

After 1990, together with the appearance of legal regulation, regarding to property, we have witnessed either to the concern of many Romanians with purchasing a private property, or claiming their properties confiscated during the communism period. On the other hand, some private properties have become financial investments for foreign investors, and others, belonging to those who, temporarily or permanently left the country, got into the responsibility of certain facility management services, carried out by specialized individuals or legal persons.

These are only a few arguments why we consider the real estate property management services represent a continuously growing area, of increasingly importance. The research of this issue involved references to the legislation into force which regulates this domain, including for those which legislate the right to property purchase.

Key words: administration; estate; property; regulation; services.

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1. Introduction

A property, a house or an apartment represents a value, and this value should be maintained and even enhanced. Qualified administration of a property will make the building resist longer and thus better respond to the owner's interests and, implicitly, the destination for which it was created.

Administration activity is a major responsibility. For most of the owners it is difficult to deal with every day issues arising from the buildings they own, either it is the fault of the installations, repairs, necessary consolidation, cleaning, interior design, staging or various interventions. We are talking about situations where people do not have time or are too far away for dealing with their own properties, can call on to specialized units that offer a wide range of property management services for houses, villas, apartments, office buildings, etc.

Besides these activities mentioned above, property management involves other types of services as well, more complete and more complex, such as: management, advertising and real estate's rental, lease contract management, taxes and insurances, transportation/relocation services, IT assistance, various payments, and also specific activities of real estate consultancy – legally managing real estate assets such as acquisitions, consultancy for real estate litigation, contracting, renting, selling, transfer, merging, division, dissolving.

2. Conditions that Must be Attained by the Persons that Develop Activities Within the Field of Real Estate Management

The person hired as a real estate administrator represents the private or collective interests of individuals and/or legal entities, whether it is about a house, an apartment, a block of flats or a condominium, assuming the responsibilities derived from this activity.

However, achieving this type of activity requires the acquisition of knowledge and skills necessary to develop adequate training and high standards of the profession of estate administrator. For this purpose, it is necessary to assimilate the necessary knowledge for passing the certification exam as estate administrator, exams that take place within municipalities.

The persons who carry out the activity of real estate administration must acquire a set of professional skills related to:

- signing contracts with the service suppliers/providers and monitoring to be achieved;
- elaborating documentation and record-keeping;
- condominium property management;

- collecting contribution rates and making payments;
- coordinating subordinated staff;
- monitoring the stages of the condominium construction parts and installations;
- representing the interests of the owner in relation to the public authorities;
- enforcing condominium regulation;
- planning activities etc.

It is also necessary that the persons with attributions in this area should have knowledge related to technical real estate administration, such as: managing construction works/investments (to identify, the best offers for building construction), representing them before the constructors, supervising constructors, identifying inconsistencies between construction certificate and the works carried out, monitoring and checking the costs claimed by constructors, checking the quality of works, facilitating final acceptance of works or maintenance.

Besides these technical attributions, real estate administrators must also have financial and accounting knowledge related to invoicing and cash collection supervising, representing owners before tenants, and also representing tenants before owners, representing owners before third parties, suppliers, public institutions, public finance administration, internal revenues department etc.

3. Types of Activities Covering Real Estate Administration

At the usual level of a building administration, of a house, of an apartment of one or more blocks of flats, the main types of activities subject to estate administration are those related to: technical management of buildings, their accounting management, financial administration of buildings, management of documents as well as the documents needed for the estate administration activity.

3.1. Technical Administration of Buildings

Technical administration of buildings requires periodic technical evaluation of joint property subject to estate fund administration and prevents degradation of the buildings by removing as much as possible, of all malfunctions and damages arising from construction related facilities or buildings administered.

Other activities related to technical administration of buildings refer to taking some measures to prevent degradation of a building under administration, and evaluation of estates and expenditure necessary for building

maintenance and administration, as well the calculation of the elements required for the general estimate of expenditure, for works that are to be made to buildings under administration.

Last but not least, there must be included documents drafting that provide technical assistance and consulting regarding buildings under administration, as well as administrating apartments on owners' behalf, at their request or on the basis of a mandate given by them.

3.2. Accounting Administration of Buildings

Accounting administration of buildings refers to drawing up the primary accounting documents, registering the primary accounting documents on accounting items, drawing up monthly balance verification, the study regarding financial and accounting legislation, strictly connected to the main activity, drawing up monthly balance verification, drawing up VAT journals, the accounting journal, and the inventory book, of what is called General Ledger, as well as drawing up and, respectively, submitting the financial statement and the balance sheet.

Basically, an accountant is the person who is responsible for organizing and accounting management, according to the law, within a real estate administration company. However, the law stipulates that the administrator can also serve as an accountant, in this situation having the obligation of drawing up and filling out the documentation mentioned above, as well as other forms specific to accounting activity, stipulated by the Order of the Ministry of Economy and Finance no. 1969/2007, referring to the Accounting Regulations regarding the organization and accounting management.

3.3. The Financial Administration of Buildings

The financial administration of buildings means the management of intangible assets and cash fund managing, in paying utility suppliers, drawing up the mandatory documents according to the law (repair fund registry, special funds registry etc.), as well as drawing up the financial statements per apartment, for administrative buildings, full records of financial documents, tax statement submission, paying taxes, collection of the contribution from owners, as well as any other attributions according to the law.

The necessary documentation for real estate administration refers to regulatory documents based on which real estate administration is organized, managed, monitored and controlled, such as: Law no. 230/2007, Law no. 51/2006, Law no. 82/1991 with amendments and additions, O.M.E.F. no. 1969/2007 etc.

3.4. Administration Documents

In what regards the administration documents that are to be drawn up, these aims to concluding contracts with service providers necessary for the operation and maintenance of buildings/buildings, including installations and related equipment.

Signing and supervising contracts by individuals or legal persons (construction companies etc.) for repairs or professional interventions, as well as renting some areas or parts of administrated joint property for organizing social activities etc., are other documents related to an efficient administration of the properties.

4. Conclusions

Real estate administration activity is and will be continuously rising due to the fact that, in Romania, after 1990, more and more citizens have become owners, as a result of buying a real property, whether we talk about lands, houses, apartments etc.

The rising of this field is also motivated by the fact that most of the owners being caught in business activities, have to call for professional services of the real estate administrators.

Moreover, it is supported by the fact that, in our country, private property is in majority as compared to the public one. It should be noted that Romania ranks first among the states with most property owners in the European Union.

The development of this field has called for new laws to bring this issue under regulation, as well as for bringing amendments to the old ones. Among these we mention the followings: Law no. 82/1991 – Accounting Law republished, with its successive amendments and additions, Law no. 247/2005 on ownership and justice reform, as well as some accompanying measures, Law no. 230/2007 on founding, managing and operating owner associations, Law no. 312/2005 on acquiring the right to private property on land by the foreign and non-citizens, as well as by foreign entities.

Referring to acquiring ownership, art. 3 from Law no. 312/2005 stipulates that “an EU state citizen, the stateless with the residence in a EU member state or in Romania, as well as the legal person constituted according to the EU state member legislation, can acquire the right of ownership to lands under the same legal conditions as for the Romanian citizens and legal persons.”

Considering that, according to Law no. 312/2005, art. (4), “an EU member state non-resident citizen in Romania, the stateless non-resident in Romania with the residence in an EU member state, as well as a non-resident legal person, constituted according to an EU member state legislation, can acquire the right of ownership on lands for secondary residences, respectively secondary headquarters, in Romania, after 5 years from Romania’s EU accession”, and according to the stipulations in art. 5 paragraph (1) of the same law “the EU member state citizen, the stateless with residence in an EU member state or Romania, as well as the legal person constituted according to the EU member state legislation, can acquire the right of ownership on agricultural lands, forests and forest lands after 7 years from Romania’s EU accession” (1st January 2007), we anticipate that the beneficiaries of this law as well, will call for real estate administration services in our country.

All of these are arguments, moreover, for increasing development of this area of real estate administration, which bring benefits to both the owners and those who provide such services, meaning that those whose properties are administrated can continue undisturbed their business, and those who administrate them can have a secured working place.

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- * * Legea nr. 51/2006 - Legea serviciilor comunitare de utilități publice.
- * * Legea nr.312/2005 privind dobândirea dreptului de proprietate privată asupra terenurilor de către cetățenii străini și apatrizi, precum și de către persoanele juridice străine.
- * * Legea nr. 82/1991- Legea contabilitatii republicată, cu modificările și completările ulterioare.
- * * Legea nr. 247/2005 privind reforma în domeniile proprietății și justiției, precum și unele măsuri adiacente.

ROLUL ȘI IMPORTANȚA ADMINISTRĂRII IMOBILIARE, ÎN ROMÂNIA

(Rezumat)

Dezvoltarea acestui domeniu, al administrării imobiliare, a apărut imperios necesară ca urmare a faptului că, în România, proprietatea privată este majoritară prin comparație cu proprietatea publică.

După 1990, odată cu apariția reglementărilor juridice vizând proprietatea, asistăm fie la preocuparea multor români pentru achiziționarea unei proprietăți private, fie la revendicarea proprietăților acestora confiscate în vremea comunismului. Pe de altă parte, unele proprietăți private devin plasamente financiare pentru investitorii străini, iar altele, ale celor plecați – temporar sau definitiv în străinătate - intră în preocuparea unor servicii de administrare a imobilelor, servicii efectuate de către persoane fizice sau persoane juridice specializate.

Acestea sunt doar câteva dintre argumentele pentru care considerăm că serviciile de administrare a proprietății imobiliare reprezintă un domeniu în continuă dezvoltare, de o tot mai mare importanță. Cercetarea acestei problematici a presupus trimiteri la acte normative în vigoare care reglementează acest domeniu, inclusiv la cele care legiferează dreptul la dobândirea proprietății.

