

Market Appraisal of Real Estate in the Czech Republic via Software

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Key words:

ABSTRACT

I am a member and at the same time a representative of the Czech Association of Certified Property Appraisers in the FIG National Committee for property appraisal. Every member of The Association has to be certified according to EN 45 013, i.e. every member must hold a personal certification.

The Association has two service organizations. The first one, Bankovní institut, a.s., is owned by German company COGNOS GmbH and provides certifications. A-Consult plus is the second one and it takes care of training and software. These facts serve as a proof that the whole process is self-contained and of a good quality. A-Consult plus, spol. s r.o. company (and I am one of its owners) has been developing software for market appraisal of real estate, especially for appraisals in banking and judiciary since 1992. It is the most used and widespread software for this line of business in the Czech Republic. Its work name is ACONS and the latest version is 9.0.

I am aware that it is based on the Czech Republic legal principles but I am convinced that it can be used practically all over the world as it was built on basis of international appraising standards. It is understood that no software can calculate market value of real estate. This software is just supposed to guide appraisers and experts so that they do not forget any crucial circumstance in process of real estate appraisal. The program consists of three basic methods: cost (material) method, revenue method and comparative method. It enables evaluation of other risks that can result from entries into land register, from encumbrance evaluation, from radon, from assessment of territorial plan and it takes into account other risks (floods, landslides).

The software is very extensive and that is why I will focus only on two parts of the cost method. None of them was ever published anywhere in the world, they are entirely original, but on the other hand they have been already verified by tens of thousands of appraisals in the Czech Republic. The first part serves for identification of material value when initial price is created and described at the same time. The second part covers brand new procedure for finding the level of wear and tear of constructions. This was described as point method and it is based on appraisal of selected construction elements or more precisely on maintenance after half of planned lifetime.

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