

SELECTED SOURCES OF PROPERTY INFORMATION FUNDAMENTAL TO PROPERTY INVESTMENT

Aneta ZAREMBA^{1*}, Małgorzata BLASZKE²

¹ West Pomeranian University of Technology, Szczecin; AZaremba@zut.edu.pl, ORCID: 0000-0002-7806-6710

² West Pomeranian University of Technology, Szczecin; MBlaszke@zut.edu.pl, ORCID: 0000-0001-7806-6710

* Correspondence author

Purpose: The aim of the publication was to present selected sources of information on real estate. Selected planning documents were presented, which are not only necessary when planning new developments in communes, but also help to estimate the value of real estate.

Design/methodology/approach: An analysis of the legislation governing the meaning and use of planning documents was carried out. A literature analysis on the subject was also carried out.

Findings: The range of data used for the real estate market should include the use of multiple sources of information, both mandatory and optional. Deficiencies in the use of real estate information, or the acquisition of poor quality information, may lead to inappropriate investment decisions by real estate market participants. Therefore, basic sources of information on real estate should be taken into account when making any decisions concerning the broadly understood management of real estate; in the case of investments, planning studies such as the local spatial development plan or the study of the conditions and directions of spatial development of a municipality should be taken into account in particular.

Research limitations/implications: Planning documents are extremely important when planning new developments. These documents are not only an excellent source of information on existing land or built-up land, but also help to plan the development of vacant land on the urban fringe, among other things.

Practical implications: The analysis of the planning documentation presented helps to understand the relevance of local spatial plans and development studies of municipalities for planned construction projects or land use change.

Originality/value: To date, there has been very little analysis of planning documents as an important source of information in property management.

Keywords: planning documents, real estate market, real estate information.

Category of the paper: Review article.

1. Introduction

In a market economy, information on real estate is a fundamental component of the issue of activities aimed at investing or developing optimal principles for the management, administration and marketing of real estate owned by private, state or municipal entities.

Investment is a fundamental factor in economic development. However, it should be borne in mind that real estate is a special object of investment. An important benefit of investing in real estate is the security of capital. The investment of capital in real estate not only secures it, but also protects it against inflation in the long term. In a market economy, there are many forms of investment with varying levels of risk, but one of the basic directions is real estate investment. Every investor, when embarking on an investment process, verifies his or her intentions on the basis of an expert opinion, based on an in-depth market analysis and a detailed assessment of the investment's effectiveness. The information that characterises the various types of real estate is often incomplete and scattered in various source collections, as no existing professional collection covers the full range of real estate information. In the Real Estate Management Act (the Act of 21 August 1997), art. 155 states that for the purposes of real estate appraisal, all necessary and available data on real estate, contained in particular in:

- 1) land and mortgage registers,
- 2) real estate cadastre,
- 3) register of land development networks,
 - a) register of real estate serial numbers,
 - b) registers of historical monuments,
- 4) taxation tables and taxation maps,
- 5) local plans, studies of land development conditions and directions of spatial development of a municipality or decisions on land development conditions and building permits,
- 6) lists maintained by tax offices,
 - a) documents held by agencies entrusted by the State Treasury, by means of laws, with the exercise of ownership rights and other rights in rem in its favour,
 - b) in notarial deeds held by housing cooperatives concerning the disposal of cooperative rights to premises,
- 7) contracts, rulings, decisions and other documents constituting the basis for entry in land and mortgage registers, registers forming part of the cadastre, as well as in extracts from appraisal reports submitted to the real estate cadastre.

Critical work on real estate activity and the financialisation of urban development encountered in the literature has mainly focused on investor-developer-government interactions to highlight how the values, expectations and goals of real estate and investors are enacted through regulatory and tax reforms, which in turn affect the way cities are built (Robin, 2018; Bakhareva 2019).

2. Planning documentation as a source of property information

Taking into account the above mentioned sources of information on real estate, all but the very important ones regarding future possible uses, development and zoning of real estate include planning and design studies, including the study of conditions and directions for spatial development of the municipality and the local zoning plan.

Spatial planning, which involves creating a framework for the location of development and infrastructure, is a key driver of many change processes, such as land use (Oliveira, Leuthard, Tobias, 2019).

It is worth emphasising that the current state and effects of planning and spatial development date back to 1989, when the system transformation took place. Its effect with regard to planning development was the transfer of planning freedom to all local government units at the municipal level. Of course, the regime change itself is not directly responsible for the costly and often irreversible changes in space (Tulumello, Cotella, Othengrafen, 2020), the responsibility must necessarily be seen and characterised in a broader perspective that includes in its span various interest groups (residents, developers, government officials and all those for whom a particular area represents a measurable value, not necessarily expressed by a means of payment) (Hołuj, 2012).

Pursuant to the Act on Spatial Planning and Development (the Act of 27 March 2003), the shaping and conducting of spatial policy in the territory of the municipality, including the adoption of the study of spatial development conditions and directions and the local spatial development plan, is one of the municipality's own tasks.

The study of spatial development conditions and directions (suikzp) defines the directions for the economic development of the municipality, both in terms of priorities and permissible directions, as well as location suggestions for the distribution of various forms of business activity in the municipal space. It is in this document that the decision is made as to the desired directions of municipal development and whether, in addition to the desired directions, other forms of economic activity may also be developed in the municipal space and under what conditions. The study not only shows the distribution of individual spatial functions against the background of the existing conditions, it also shows social, demographic and ecological conditions, geological resources and the possibilities of their exploitation, and finally cultural assets, including the distribution of archaeological monuments. It is practically the only document showing at the same time the totality of the existing conditions and the practical prospects for the development of the municipality accepted by all its inhabitants. The study is not a local legal act.

The Suikzp takes into account conditions resulting in particular from:

- previous land use, development and infrastructure,
- state of spatial order and requirements of its protection,
- the state of the environment, including the condition of agricultural and forestry production space, size and quality of water resources and the requirements of environmental, nature and cultural landscape protection,
- condition of cultural heritage and historical monuments as well as contemporary culture assets,
- conditions and quality of life of residents, including protection of their health,
- threats to the safety of the population and its property,
- needs and possibilities for development of the municipality,
- the legal status of the land,
- occurrence of objects and areas protected under separate regulations,
- existence of areas of natural geological threats
- existence of documented mineral deposits and groundwater resources,
- existence of mining areas designated on the basis of separate provisions,
- state of the communication and technical infrastructure systems, including the degree of orderliness of water and sewage management, power supply and waste management,
- tasks serving the realisation of translocal public objectives.

In particular, it defines:

- directions of changes in the spatial structure of the municipality and land use,
- directions and indicators for land development and use, including areas excluded from development (Stanek, 2011),
- areas and principles of protection of the environment and its resources, protection of nature, cultural landscape and spas,
- areas and principles of protection of cultural heritage and monuments as well as contemporary culture goods,
- directions of the development of communication and technical infrastructure systems,
- areas where public purpose investments of local importance will be located,
- areas where public purpose investments of supra-local importance will be located, as specified in the voivodeship spatial development plan and special programmes,
- areas for which it is obligatory to prepare a local spatial development plan pursuant to separate provisions, including areas requiring real estate consolidation and division, as well as areas for the arrangement of commercial facilities with retail space exceeding 2000 m, and areas of public space,
- areas for which the municipality intends to prepare a local spatial development plan, including areas requiring a change of the designation of agricultural and forest land for non-agricultural and non-forest purposes,

- directions and principles of shaping the agricultural and forest production space,
- areas exposed to the danger of flooding and landslides,
- objects or areas for which a protective pillar in the mineral deposit is marked,
- areas of holocaust memorials and their protection zones, as well as restrictions on conducting economic activity in these areas, in accordance with the provisions of the Act of 7 May 1999 on the protection of the areas of former Nazi extermination camps,
- areas requiring transformation, rehabilitation or reclamation,
- boundaries of closed areas and their protection zones,
- other problem areas, depending on the conditions and development needs existing in the municipality.

The municipality's zoning plan is a document which contains a very broad set of information on the municipality, its community, economy, which, ordered and then systematically updated and enriched, will be the basis for the construction of a municipal spatial information system, necessary for the management of the municipality in a market economy (...).

A very important source of information and, at the same time, an act of local law is the local spatial development plan (mpzp), which is drawn up in order to determine the purpose of land and specify the ways in which it may be developed and built upon (Zwirowicz, 2012).

Prior to the adoption of a resolution to draw up a local plan, the head of the local authority, mayor or president performs analyses of the justification for the plan and the degree of compliance of the envisaged solutions with the provisions of the Study, prepares surveying and cartographic materials and the necessary scope of work, and prepares a draft local plan containing text and graphics, also compliant with the provisions of the Study and separate regulations pertaining to the area covered by the plan. The Local Plan is an act of local law (Stelmach-Fita, 2017).

The local spatial development plan shall mandatorily specify (Zbierska, 2013):

- land use and lines demarcating areas with different use or different development principles,
- principles of protection and shaping of the spatial order,
- principles of protection of the environment, nature and cultural landscape,
- principles of protection of cultural heritage and monuments as well as contemporary culture assets,
- requirements resulting from the needs of shaping public spaces,
- parameters and indicators of shaping the development and land development, including the building lines, dabbits of the objects and building intensity indicators,
- boundaries and ways of using protected areas or objects, including mining areas, as well as areas exposed to the danger of flooding and endangered by landslides,
- detailed principles and conditions of merging and dividing the properties included in the local plan,

- specific terms and conditions of land development, including the prohibition of development,
- principles of modernisation, development and construction of communication and technical infrastructure systems,
- manners and terms of temporary development, arrangement and use of land,
- percentage rates on the basis of which the fee is determined.

And as required (Kowalczyk, 2011):

- boundaries of areas requiring real estate consolidation and division,
- boundaries of areas of rehabilitation of existing buildings and technical infrastructure, boundaries of areas requiring transformation or reclamation,
- boundaries of areas for construction of certain large commercial facilities,
- boundaries of recreation and leisure areas and areas for organising mass events,
- boundaries of Holocaust memorials and their protection zones.

The contents of the Local Plan, are (Mroziak 2015):

1. the plan document comprising:
 - text (a set of findings constituting provisions regulating the use and conditions of development and construction of land, which are binding on the municipal authorities and on natural and legal persons),
 - drawing or drawings of the plan as an appendix to the resolution (the drawing of the plan is made on an up-to-date situation and altitude map, including the land ownership boundaries, at a scale resulting from the substantive premises and corresponding to the subject matter of the plan's findings; the drawing of the plan should be made in a technique ensuring the possibility of publication and making copies).
2. formal and legal documentation (collection of materials gathered and created as a result of the work on the plan):
 - substantive documentation of the plan (collection of materials including studies and analyses collected and/or performed in the planning process and concerning the justification for the plan's preparation and the degree of compliance of the envisaged solutions with the study's findings),
 - documentation of the planning process (materials documenting the maintenance of planning processes required by law),
 - forecast of the effects of the plan's findings on the environment.

The LSDP contains a lot of valuable information which should be taken into account by valuers (Czekiel-Świtalska, 2005), real estate agents or property managers, but among the most important is the information concerning:

- the function of the site and the location of the function in relation to other functions,
- the location of the function in relation to spatial form elements,
- limitations resulting from the principles of shaping spatial forms, e.g. the type of development,
- arrangements concerning the anticipated scope of development and equipping the area with technical and social infrastructure facilities,
- restrictions on the use of individual areas.

The local plan, which is an act of local law, is the basis for formulating the conditions for development and land use in administrative decisions. It grants or withdraws the right to develop land and determines the principles on which this right may be exercised (Radzimski, 2011). It is also a reference for other decisions and opinions, conditional on compliance with its determinations. The plan's findings, together with other provisions of law, shape the content and use of the property right. This makes the plan the basic normative act shaping the content of the property ownership right and it must comply with the requirements of the competence acts. Local planning is therefore an important factor in the process of shaping spatial order and protecting values that largely determine the attractiveness of a city.

3. Summary

In summary, it should be stated that the range of data used for real estate market purposes should include the use of numerous sources of both obligatory and optional information.

Obligatory information sources (which have legal regulations governing their functioning) include:

- land registers,
- real estate cadaster,
- geodetic register of land development networks,
- local spatial development plan,
- state geodetic and cartographic resource,
- taxation tables and maps.

Optional sources of information (created as a result of processing data collected in obligatory sources after adding thematic data) include:

- branch information systems on utility networks and buildings,
- technical and project documentation,
- inventories maintained by tax offices,
- databases on property prices and values,

- databases created by companies and insurance companies,
- statistical studies, collections of construction unit price indices, catalogues of material expenditures.

Information has many meanings, e.g. to inform about something, to communicate something, to instruct. In real estate management, it is one of the basic elements for making effective investment decisions. Lack of information or poor quality information can lead to inappropriate investment decisions by real estate market participants. Therefore, the basic sources of information about real estate should be taken into account when making any decisions concerning the broadly understood real estate management; in the case of investments, planning studies such as the local zoning plan or the study of the conditions and directions of the municipality's spatial development should be particularly taken into account.

References

1. Bakhareva, O. (2019). Strategic planning of infrastructure development: BIM and intelligent building. *J. Advanced Res. L. & Econ.*, Vol. 10, 2262.
2. Czekięł-Świtalska, E. (2005). Miejscowy plan zagospodarowania przestrzennego a skutki ekonomiczne jego uchwalenia. *Przestrzeń i forma*, 1, pp. 87-92.
3. Hołuj, A. (2012). Perspektywy rozwoju regionalnego Polski w okresie programowania po 2013 r. In: A. Harańczyk (Ed.), *Problemy i dylematy planowania przestrzennego w różnych typach jednostek terytorialnych*. Warszawa: KPZK PAN.
4. Hołuj, D. (2014). Wizje planistów a oczekiwania użytkowników przestrzeni miejskiej. Konfliktogenność procesu uchwalania planów miejscowych w wybranych obszarach polskich metropolii. *Biuletyn KPZK*, 253.
5. Kowalczyk, M. (2011). Dokumenty strategiczne i planistyczne w gospodarowaniu przestrzenią Wrocławia. *Studia i Materiały*, 127.
6. Małkowska, A. (2005). Systemy informacji o nieruchomościach. *Zeszyty Naukowe Akademii Ekonomicznej w Krakowie*, Vol. 687, pp. 115-130.
7. Mrozięk, K. (2015). Miejscowe plany zagospodarowania przestrzennego jako element monitoringu rozwoju lokalnego. *Studia i Prace WNEiZ US*, Vol. 42, pp. 149-160.
8. Oliveira, E., Leuthard, J., Tobias, S. (2019). Spatial planning instruments for cropland protection in Western European countries. *Land Use Policy*, Vol. 87, 104031.
9. Radzimski, A. (2011). Rola planowania przestrzennego na przykładzie budownictwa mieszkaniowego w Poznaniu. In: T. Markowski, P. Żuber (Eds.), *System planowania przestrzennego i jego rola w strategicznym zarządzaniu rozwojem kraju*. Warszawa: Studia KPZK PAN, t. CXXXIV.

10. Ratcliffe, J., Stubbs, M., Keeping, M. (2021). *Urban planning and real estate development*. London: Routledge.
11. Robin, E. (2018). Performing real estate value(s): Real estate developers, systems of expertise and the production of space. *Geoforum*.
12. Stanek, L. (2011). Ekonomiczno-społeczne znaczenie prognoz skutków finansowych uchwalenia miejscowych planów zagospodarowania przestrzennego. *Inżynieria Ekologiczna*, pp. 191-201.
13. Stelmach-Fita, B. (2017). Europejskie źródła danych w zakresie zagospodarowania przestrzennego: potrzeby i ograniczenia. *Studies of the Industrial Geography Commission of the Polish Geographical Society*, 31(3), pp. 185-203.
14. Tulumello, S., Cotella, G., Othengrafen, F. (2020). Spatial planning and territorial governance in Southern Europe between economic crisis and austerity policies. *International planning studies*, Vol. 25(1), pp. 72-87.
15. Ustawa z dnia 21 sierpnia 1997 roku o gospodarce nieruchomościami, Dz.U. z 2021 r. poz. 1899.
16. Ustawa z dnia 23 marca 2003 r. o planowaniu i zagospodarowaniu przestrzennym, Dz.U. z 2022 r., poz. 503.
17. Zbierska, A. (2013). Obszary chronione w lokalnych systemach informacji przestrzennej na potrzeby planowania przestrzennego. In: M. Kunz, A. Nienartowicz (eds.), *Systemy informacji geograficznej w zarządzaniu obszarami chronionymi – od teorii do praktyki*. Tuchola-Toruń: Firma Usługowo-Wydawnicza „Daniel” Ewa Wierzchucka.
18. Zwirowicz, K. (2012). Związki katastru i geodezji z gospodarką przestrzenną. *Studia i Materiały Towarzystwa Naukowego Nieruchomości*, 20(4), pp. 41-50.