



**Bucharest
REAL ESTATE**



**eBook
Compact
2023/2024**

Things You Should Know Before Buying or Building a Property

by Corina Ivan & Dennis Terbouken

„Things You Should Know Before Buying or Building a Property“



**Bucharest
REAL ESTATE**

1. Edition 2023/2024

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Authors

Corina Ivan

Dennis Terbouken

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Tip



Important!



Attention!



How Much Real Estate Can I Afford?

Before embarking on the purchase or construction of a property, the most important question, of course, is: How much real estate can I afford? And fundamentally: Can I even afford a property at all? You should ask yourself this question right at the beginning and in great detail. Doing so can dispel misconceptions early on, save time, and ease your nerves. Below, you will find a simple example of how a young family assesses their financing options:“

Example

The Popescu family wants to buy a used house. It is priced at 230,000 euros. They have saved up 40,000 euros as a down payment. Additionally, they can borrow 20,000 euros from their family circle. This totals 60,000 euros. As a result, the family initially needs financing of 170,000 euros from the bank.

What is the estimated monthly cost?

After the Popescu family has determined their financing needs, the question arises whether they can even afford a loan of 170,000 euros. To answer this, the family needs to know the monthly cost associated with such a loan. They calculate the monthly cost using this formula:

$$\frac{\text{Financing needs in euros} \times (\text{Nominal interest rate in \%} + \text{Repayment rate in \%})}{100 \% \times 12 \text{ Month}}$$

To apply the formula, the Popescu family needs the interest rate offered to them by the bank, as well as the repayment rate they wish to choose. With a ten-year fixed interest rate and a 1 percent repayment rate, they are offered an interest rate of 3 percent. This results in the following calculation:

$$\frac{170,000 \text{ euros} \times (3\% \text{ interest rate} + 1\% \text{ repayment rate})}{100 \% \times 12 \text{ Month}}$$

= 566,66 Euro monthly payment

That sounds great! The monthly payments would only be slightly higher than their current rent. The Popescu's would love to get started right away. Unfortunately, it becomes clear that they have overlooked some points in their calculation.

The Right Repayment

If the family were to repay at only one percent, the monthly payments would indeed be only the calculated 566.66 euros. However, a repayment rate of just one percent is not a viable option. In reality, it makes the loan more expensive due to the longer duration required to reduce the debt. Assuming the interest rate is 6 percent after the 10-year fixed term, it would take a total of 34 years for complete debt elimination with an initial repayment rate of 1 percent. On the other hand, with an initial repayment rate of 3 percent, it would only take 24 years. Additionally, regardless of the initial repayment rate, when the interest rate rises to 6 percent for the follow-up financing after 10 years, it results in a significant increase in monthly installments by several hundred euros. If the Popescu family wishes to avoid this, they could opt for a longer fixed term, but would need to accept a slightly higher interest rate from the outset.“



Important!

It's not just about the pure acquisition costs of the property. Additional costs come into play: From property transfer tax and notary fees to registration fees in the land registry and potential real estate agent commission. All in all, the family needs to anticipate around 10 percent of the property's purchase price for these additional expenses.

Additional Cost Risks

Upon closer examination, several things need to be done on the property. At the very least, a new heating system, new flooring, new wallpaper, a fresh coat of paint, and new bathrooms, including a guest WC, are necessary. A family friend who is an architect estimates 10,000 euros for each of the two bathrooms. The heating system will require an additional 15,000 euros. And the flooring and painting work will cost at least this amount again.

So, the realistic financing requirement would not be just 230,000 euros, but would be calculated as follows:

Property Costs	230,000 euros
<hr/>	
Additional Costs	23,000 euros
<hr/>	
Modernization Costs	50,000 euros
<hr/>	
Total	303,000 euros

This results in the following financing requirement:

Financing Costs	303,000 euros
<hr/>	
minus Private Capital	60,000 euros
<hr/>	
Total Financing Requirement	243,000 euros

The Actual Monthly payment

If we assume an interest rate of 3 percent and a repayment rate of 3 percent for the financing requirement of 243,000 euros, this results in the following as the monthly payment:

$$243.000 \text{ Euros} \times (\text{Nominal interest rate } 3 \% + \text{Repayment rate in } 3 \%)$$

$$100 \% \times 12 \text{ Month}$$

$$= 1.215 \text{ Euro monthly payment}$$

So, the realistic monthly burden/payments for the Popescu family is not 566.66 euros, as initially calculated, but is more than double at 1,215 euros. In addition, the financing could completely spiral out of control if the interest rate were to increase from 3 to 6 percent during the follow-up financing. Let's not forget about the private repayments to the family circle, depending on the agreement. After all, those borrowed 20,000 euros need to be repaid as well. If there were also a necessary major house repair to deal with, the financing could even be seriously jeopardized. The comprehensive and realistic calculation of financing, including all additional costs, doesn't appear as favorable for the Müller family as initially thought. And this doesn't even account for the living expenses such as water, electricity, and heating costs. Therefore, the young family decides to be very cautious with quick and attractive financing calculations presented to them.

This example demonstrates that one must approach real estate financing calculations with great care.

It is advisable to go through this calmly to gain clarity about whether one's own financing can realistically work. Unfortunately, theoretical financing calculations alone are not sufficient.

Depending on the property and the conditions of purchase, additional cost risks can arise. For example, new property owners are often confronted with construction delays, which can quickly lead to a financial double burden: they have to pay rent while also repaying the loan. Those without clear provisions in the construction contract are at the mercy of the construction company.

On the other hand, those who buy used properties and plan to renovate should factor in a surprise effect for renovation costs from the outset. Unexpected issues almost always arise, leading to additional expenses. To help consumers identify such cost risks, we have an in-house checklist during consultations.

The Right Repayment

If the family were to repay at only one percent, the monthly payments would indeed be only the calculated 566.66 euros. However, a repayment rate of just one percent is not a viable option. In reality, it makes the loan more expensive due to the longer duration required to reduce the debt. Assuming the interest rate is 6 percent after the 10-year fixed term, it would take a total of 34 years for complete debt elimination with an initial repayment rate of 1 percent. On the other hand, with an initial repayment rate of 3 percent, it would only take 24 years. Additionally, regardless of the initial repayment rate, when the interest rate rises to 6 percent for the follow-up financing after 10 years, it results in a significant increase in monthly installments by several hundred euros. If the Popescu family wishes to avoid this, they could opt for a longer fixed term, but would need to accept a slightly higher interest rate from the outset.“



Tip

Before signing a financing offer from a bank that is presented to you, you should seek an individual property financing consultation from Bucharest Real Estate. We offer this service in-house. It's almost always worth it because very often, crucial advice on much more favorable terms can be provided.



Which Property is Right for You: House or Apartment, New or Existing?

When most people start their search for a property, the initial decision they make is whether to buy a house or a condominium.

Families with children often prefer a house with a garden. It provides a safe space for young children to play right outside the house in the open air. However, after the family phase or as part of other lifestyle choices, apartments are often favored.

Whether the property is new or existing is typically a secondary decision and depends heavily on the regional offerings. If there is a lot of construction activity in the area or attractive building plots, buying a new property may be a viable option.

However, if there are few or unconvincing new construction offers, it is more likely to be the existing property. In essence, it's hard to say which path to homeownership is better suited for whom. However, some general statements can be made:

For those with limited time, overseeing the flawless construction of a new building can be challenging. Even so-called turnkey construction on one's own property or with a developer on their property can become a time-intensive undertaking.

This form of construction can also be challenging for individuals who have had little experience with more complex contracts, contract negotiations, and occasionally tough negotiations. Those who have only signed employment, rental, or mobile phone contracts in the past may quickly find themselves out of their depth in the realm of construction – unless they are willing from the outset to allocate funds for substantial legal and technical support if necessary.

In this case, a used house from a private seller may be a better solution. However, even for those wanting to build with a developer, it's tactically wise to keep an eye on the market for existing properties. Especially in highly competitive real estate markets, it's not advisable to commit exclusively to a single provider from the outset. It's important to always explore used alternatives as well.

Real estate buyers who want things quickly and/or inexpensively are at risk.

Bargain hunters under time pressure are taking a significant risk in their search for and purchase of property.

They should not only be on the lookout for the cheapest property but also for the most cost-effective one, meaning the one that justifies its price. To determine if this is the case, the offer must be thoroughly examined. However, each path to homeownership is unique and requires a different approach. Therefore, the critical factor in evaluating an offer depends on what type of property is in front of you: house or apartment, new or existing.



Purchase of a Used Property: House or Apartment?

The majority of the real estate offerings in Germany consist of used properties. This is understandable since there is a significant existing stock of real estate. In your property search, you will, therefore, sooner or later come across used properties.

You buy what you see.

Used properties are typically sold 'as is.' Therefore, the crucial aspect of the purchase is inspecting the property and identifying any issues that could reduce its value or even lead to complete loss of value. It's interesting how many people readily undertake a substantial inspection and evaluation of a used property."

However, the vast majority of property viewings are actually extremely superficial and do not lead to any reliable conclusions about whether the building's structure or technical systems are worth the asking price or might have significant issues resulting in higher subsequent costs.



Important!

Those looking to purchase a used property must be aware that a thorough inspection and a well-balanced purchase contract are the foundations for a secure purchase.

Real Estate Viewing

It's entirely possible to develop sensitivity for how to properly inspect a used property. It begins with the realization that the year of construction of a house can provide a lot of information. Therefore, you should view a house built in 1952 with a different perspective from one built in 1978.

Viewings should be conducted systematically, such as from the basement to the roof, one floor at a time in a clockwise manner, or similar approaches. Viewings should encompass all areas, not only in the case of houses but also for apartments. This includes inspecting the basement and, if available, the heating room and the underground garage. It's astonishing how many apartments are purchased without the buyers knowing what type of heating system is installed, let alone having seen the heating room.

For property viewings, you generally need sufficient time and daylight. It's practically impossible to assess everything and make a decision during the first viewing. Almost always, a second viewing is necessary, during which a specialist can also be consulted.

Bucharest Real Estate offers a comprehensive house check to guide you in the 'Purchase of a Used House.' This tool provides even laymen with the means to check many essential aspects of used properties.

Additionally, you can bring in professionals for the viewing. The guide from the Consumer Protection Center explains in detail how and where to find these experts. Since one usually visits many properties before making a decision, it's not practical to have specialized professionals present at every appointment. Often, during the initial viewing, one only seeks a preliminary overview of the property's location, size, and layout. By reviewing the House Check from Bucharest Real Estate in advance, you can systematically assess certain points during the first viewing and have a more focused perspective during the follow-up viewing, potentially with an expert. Therefore, we developed different checklists for the initial and subsequent viewings.



Attention

When you receive information during the viewing, you must be cautious about who provides this information. Real estate agents are largely exempt from liabilities regarding their statements about the condition of properties. Agents can largely rely on the statements they received from the property owner. They have practically no obligation to conduct their own research. On the other hand, the property owner is liable for their statements. Therefore, it's advisable to conduct follow-up viewings with the property owner present. If the owner is not available or unwilling, you should clarify any outstanding questions with them over the phone and, if necessary, include them in the purchase contract. For example, if it's unclear whether there is dry rot in the attic, you can either ask the seller to have it inspected, or, with the seller's consent, arrange the inspection yourself, or specify in the contract that the seller is responsible for any potential dry rot in the attic.

It can also be the case that the property requires renovation. This is especially true for houses. Perhaps you like the location of the house, and the building's structure is in good condition, but the layout of the building is unfavorable or outdated for your needs. In such cases, additional costs await you. The same applies to pending renovations. It may even be required that you retrofit certain elements, as the law mandates certain 'retrofitting obligations' when purchasing used properties. This can go as far as having to replace the heating system, even if you had not planned to do so.

Contract Review

Used properties are either sold directly by the owners or through real estate agents. The contract process, including the drafting of the contract and its notarization, is then handled by a notary.

Only notarized sales contracts for land – whether developed or undeveloped – are legally binding. It's different if, for example, you purchase a prefab house.

The purchase contract for a prefab house that you plan to install on your existing property does not require notarization. It is legally binding even without notarization.

A notarized purchase contract for real estate is practically irreversible. Subsequent amendments are excluded unless both parties agree and have them notarized as well. Therefore, a thorough contract review before signing is very important. However, these contracts are often drafted in legal language that one must familiarize themselves with.

If, after such an examination, you become skeptical, you can discuss the points with the notary and request changes before signing the contract. However, the notary is a neutral official who does not represent your interests – nor should they represent the other party's interests.

Therefore, you may need to engage an attorney specializing in real estate law to represent your interests. Initially, you should wait for the results of discussions with the notary and the other party.

Even if the contract has been carefully reviewed by an attorney, there are certain things outside the contract that you should consider, as they pose potential risks. For example, if you sign a contract that provides you with a relatively short deadline for transferring the purchase amount, it can put unnecessary time pressure on you in negotiations with banks regarding financing.

This may happen when you have not yet received financing approval from a bank but still sign the real estate purchase contract with the notary. Similar considerations apply to the topic of risk management: If you haven't considered risk management, such as taking out a life insurance policy, before signing the loan agreement, you may also find yourself under unnecessary time pressure when negotiating with insurance companies.

For these reasons and more, it is wise to inform yourself about all aspects of buying a house early and at your own pace, as there is much more to it than you may initially think. This way, you can approach the project step by step and in an organized manner.

Handover

When you reach an agreement with the seller regarding the purchase of a used property, it's important to carefully arrange the handover of the property. This step is often overlooked. For example, you should specify whether the house or apartment can be occupied before the property transfer is registered in the land registry and who will assume the property tax (not to be confused with the real estate transfer tax) during the transitional period. It should also be clarified whether you intend to take over the previous owner's insurance policies or not. There are legal deadlines that must be adhered to regarding this matter.

Special Considerations for Used Apartments

The purchase of used apartments comes with some additional considerations:

Often, used apartments are rented, while in the case of used houses, this is less common, as they are usually occupied by the previous owner. Furthermore, when purchasing a apartment/condominium, you are acquiring shares in a building and becoming part of a so-called owners' association.

Existing Lease Agreement

If you acquire a rented condominium, the existing lease agreement initially continues because 'purchase does not break the lease.' However, you have the option to terminate the lease due to personal use if you intend to occupy the unit yourself after the purchase. But even if you buy the condominium for your children, there may be restrictions on your right to terminate the lease for personal use. This can happen, for example, if the unit is a spacious four-bedroom apartment occupied by a family of four, and your purchase would displace them. In such cases, it may be necessary to seek legal advice before making the purchase. If you are buying the condominium as an investment and have no intention of moving in yourself, the existing lease agreement will remain in place. However, it's advisable to be familiar with the lease agreement and the tenant's rights, especially in this scenario.



Tip

When buying an apartment for investment purposes, it's essential to not only review the lease agreement but also become familiar with the previous correspondence between the landlord and tenant. Otherwise, you may end up purchasing a rented apartment subject to a long-term, legally justified, and significant rent reduction. This could jeopardize your entire financing plan. Such details may not be evident from the lease agreement alone.

Administrator

Almost all condominiums above a certain size are no longer managed by the owners themselves but by an external administrator. There are no statutory training and licensing requirements for the profession of property administrators. Ultimately, anyone with an interest can practice this profession.

Therefore, the quality can vary significantly. Administrators can only be appointed for limited periods, but it is not quite straightforward to remove an administrator whose work you are dissatisfied with. Typically, this requires majority decisions from the property owners' association.

As more and more apartments are being bought for investment purposes, your future co-owners may not live in the building and may not attend owners' meetings. Instead, they may have granted the administrator extensive powers.

In the worst case, you may have to work with an administrator for very long periods with whom you might not want to work at all. Therefore, it is advisable to have spoken to the administrator at least once before purchasing a property and to have visited their office to at least get a very initial, albeit fleeting, impression.

Rent payed by government

For condominiums, a so-called maintenance fee, often referred to as ,payed by government, is usually paid monthly. This maintenance fee covers ongoing expenses. Regardless of an initial lump-sum payment of the maintenance fee, all costs need to be itemized and settled annually by the administrator. It's important to know the amount of the maintenance fee before the purchase, as it adds to the monthly expenses from the loan. Some condominium owner associations also build reserves through the maintenance fee to have funds available for larger repairs or renovations, for example.

Reserve

When buying a condominium, it's initially unclear what reserves the condominium owner association has accumulated.

Therefore, you should inquire about this with the administrator. Otherwise, you might find yourself in a situation where the condominium owner association has decided on extensive renovations, despite having limited financial resources.

This means that each owner would have to contribute a larger amount additionally. In such a situation, with the purchase of the condominium, you would directly buy into this scenario. In addition to the purchase price, you might then face the risk of another substantial payment without prior knowledge. For example, the condominium owner association could request a higher four- or even five-digit amount from you. Therefore, you should know the current level of reserves and whether there is a resolution for financially intensive measures.



Tip

You should request proof of the current reserve funds based on an actual bank statement, not solely relying on the management's bookkeeping. What matters is the actual amount of reserves available in the bank account, not the amount that is hypothetically recorded by the manager. Unpleasant surprises often occur in this regard.

Minutes of the Owners' Association

Decisions of the owners' meeting, which typically convenes at least once a year and passes resolutions on various property-related and legal matters, can be viewed through the owners' association's minutes. The property manager is obligated to maintain this record. It is advisable to review at least the decisions and minutes from the past five to ten years.

Neighbors

When you buy a condominium, you are, in a way, also acquiring a piece of your neighbors. It can be a good idea to ring the doorbell of your immediate neighbors below, above, or next to your apartment, introduce yourself briefly, and mention your intention to purchase the apartment. Sometimes, this leads to valuable conversations with essential insights. This way, you can also get at least an initial impression from your immediate neighbors.



Purchasing a new property with land - house or apartment

When you buy a new property along with the land, usually from a property developer, construction has often not even begun in most cases. There are, however, instances where a new property is already fully or partially built.

This, though, is a rare occurrence because property developers prefer to have sold a significant portion of the houses or apartments before starting construction.

This is done to avoid substantial financial investments and to secure a bank loan for the project. As a consumer, this poses the issue of buying a property that does not exist yet.

Purchased as promised

So, the property you intend to buy is, at first, merely promised to you. Often, this is done with colorful brochures and beautiful 3-D animations or plans.

In the case of buying a property that has not been constructed yet, a construction and performance description becomes part of the notarized purchase agreement, along with the plans. The completeness and quality of the construction description and the plans will determine what construction work is to be delivered.

For instance, if the construction description does not mention anywhere that walls will be plastered and wallpapered, you are not actually entitled to this service. You would then have no claim to it. Construction descriptions in Bucharest typically have very poor quality because only minimal requirements are imposed on them, even after a legal reform in 2018. Notaries are not required to check or have the construction descriptions they attach to purchase agreements reviewed for content in any way.

Review of the Construction Description

Since no one checks the construction description when buying a property that has not yet been built, you have to do it yourself. However, if you are not an expert, this is hardly possible. In that case, the construction description should be externally reviewed before signing the contract.

Many points are simply missing entirely in construction descriptions.

To systematically identify crucial missing points, you can also rely on specific checklists. By the way, the colorful sales brochures from developers are often not part of the contract.

Most developers do not actually stand behind the sometimes overly flowery promises made in them.

Contract Review.

The purchase contract in the case of buying a property from a developer is typically drafted and notarized by a notary.

Some developers attempt to initially sell only the land, with a building obligation being included directly in the land purchase contract. This model is known as the 'hidden or concealed builder model.' In this scenario, you believe you are buying a developer's property.

However, in reality, you are initially purchasing a piece of land and committing, possibly even in the land purchase contract, to a construction project with a building contract as the owner on your own property. If the land is not suitable for your desired house, it becomes your problem, not the homebuilder's problem, because as the landowner, you should have assessed the suitability of the land. It's different when you buy both the house and the land together. In that case, it's the developer's responsibility to provide you, as the buyer, with a defect-free building, regardless of the condition of the land. Such minor contract details can cost you tens of thousands of euros. Therefore, thorough information and contract review before signing a contract is a wise investment.

Another very common issue in developer contracts is the payment installments. While these are legally defined for traditional developer projects, the regulations are rather general and incomplete. In this regard, you should make more specific arrangements.



Tip

From the moment the notary sends you the draft purchase contract until the date of notarization, you have a minimum of 14 days. However, this legally mandated period might not always suffice for a thorough review of all documents. In such cases, you can alternatively request a postponement of the notarization date from the notary. Typically, a notary will accommodate such a request. If a developer exerts significant pressure during the notarization appointment and is unwilling to reschedule, you should question why they aren't allowing you ample time to review the contract documents.

Execution Monitoring and Acceptance

When it comes to the notarization of the purchase contract, the actual construction project starts sooner or later. This transition takes you from the purchased theory to the built reality. Unfortunately, this reality often appears somewhat different from what was promised through the plans and the construction and performance description. For laypeople, it is extremely difficult to navigate a construction site at the same level as professionals.

In the case of construction projects by property developers, it can be further complicated by the fact that, based on the purchase contract, you may need explicit permission just to enter the construction site.

Additionally, during the construction phase, your rights to address and rectify issues may be limited. However, this changes with the acceptance, which is a crucial legal procedure. Upon acceptance of the building, you acknowledge that the construction work has been essentially completed.

Legal claims for the rectification of known or visible defects, which are not expressly reserved in the acceptance protocol, may be forfeited. Acceptance also has many other legal consequences.

For both the construction phase and the acceptance, you can arrange for technical and legal assistance. If there were problems during the construction phase or unresolved defects were discovered, it is highly recommended to seek technical and legal assistance from an engineer or attorney for further guidance and acceptance.



Architect-designed house, prefabricated house, or turnkey solid house.

If you find and can acquire an undeveloped piece of land, you have the opportunity to build on your own property. In this case, you are not a buyer of a property that includes the land; instead, you become the property developer.

This is a significant legal difference that comes with various responsibilities.

A provider of a turnkey house has significant flexibility in their contract terms.

This is often evident in their high-risk payment schedules, with early, very high payment rates that are not justified by the actual construction progress and carry significant risks for you.

Turnkey or not?

When building on your own property, you can decide whether to build by yourself, with a turnkey solution, or with an architect. Architects play a unique role in this context. They act as representatives of the property owner on construction sites and are solely accountable to them. All other providers in the market are not representatives of the property owner. An architect independently supervises a construction project if they are commissioned by the property owner. Building with an architect provides you with an expert by your side. This is different when building with other providers. For example, when building a turnkey solid house, you deal with a contractual partner who does not act as your representative.

However, one commonly cited drawback of working with an architect is the high fee that needs to be paid, making architect-designed houses significantly more expensive than off-the-shelf houses. This argument has some merit. The total fee for an architect, when commissioned for all phases of a construction project, is approximately 11% of the construction cost if they follow the Fee Structure for Architects and Engineers. However, the maximum and minimum rates of these fees are no longer binding, as the European Court of Justice (ECJ) declared this to be inadmissible in 2019. This means that you can now freely negotiate and agree upon the architect's fee. In addition to the architect's fee, it's advisable to establish the maximum construction costs in the architect's contract, including all ancillary expenses, in gross terms.

This way, the architect cannot simply overlook them. An experienced and competent architect who knows their region and the local craftsmen well and can provide reference projects can find good construction solutions with less money. When dealing with providers of turnkey solid houses or prefabricated houses, you are often unaware of their profit margins. So, it remains undisclosed how much goes into the quality of construction and how much goes into their profit margin in such projects.

Many consumers also struggle with finding a suitable architect. However, you can find suitable architects purposefully and easily. In contrast, consumers often find the offers from prefab house providers or turnkey solid house providers much more accessible. The range of options has become nearly overwhelming, with countless websites, printed catalogs, and prefab house exhibitions. Nevertheless, smaller regional providers might get overlooked. When considering turnkey construction, it's worth looking into their offers as well. If they have been rooted in a region for an extended period and operate not as property developers but as actual turnkey house providers without land, they have a reputation to uphold in their region.

You can also specifically search for regional, small turnkey house providers.

Bought as Promised.

While with architect-designed houses, the planning is done individually, with turnkey offers, you often choose them in a way that requires as few changes as possible to avoid additional costs. You are essentially buying an „off-the-shelf“ house. However, it is not always the case, but only sometimes, that you can actually visit the houses before making the purchase, either as model homes or as reference properties. Such a visit is highly recommended to at least gain a preliminary impression of the rooms, sizes, ceiling heights, layouts, and finishes. Because the actual construction of the house typically proceeds based on the construction and performance description. Just as mentioned in the information regarding purchasing a property from a developer, this description becomes part of the contract, and only what is included and described in this specification is guaranteed. When building on your own property, you should also carefully scrutinize the construction and performance description for completeness and assured quality, just like when buying from a developer.

Reviewing the Construction Description.

It's always advisable to have experts review the construction description. However, one approach is to first gain an initial understanding of the quality of a provided construction description by yourself and then, in a second step, arrange for an expert review. This way, you can identify many deficiencies on your own early in the process.

Contract Review

If you are building with an architect, they will typically make contract proposals for working with the craftsmen. Often, this occurs during the procurement of the craftsmen's services.

If you are building turnkey with a provider who delivers all services or subcontract them, the contract should definitely undergo an independent and individual review before signing. Consumer protection agencies in several states offer advisory services for this purpose.

In a first step, you can also turn to supporting informational materials from the internet for a more thorough review of the contract.

Construction Supervision and Acceptance

When building with an architect, you often entrust the architect with construction supervision. In this case, a specialist regularly oversees the construction process on-site. If you are building a turnkey house with a prefabricated or solid house provider, initially, only the building company is present on the construction site. There is no independent expert oversight. While you can certainly monitor some aspects yourself, the limits are quickly reached if you are not a professional.

Before accepting individual construction works and making payments, an external, professional evaluation of the delivered construction work is almost always advisable. Because the legal process and consequences of acceptance in the case of individual construction on your own land, similar to buying a property along with the land from a developer, are extensive and come with the risk of losing significant rights through improper actions.

Even if you later involve a lawyer, such as a specialist in construction and architect law or an attorney with a relevant focus, it can be very difficult, if not impossible, for them to secure your rights.

To gain a general understanding of what services are typically involved at a construction site and how inspections can be conducted, there is extensive checklist material available on the internet.

For instance, the guide „Building!“ contains over 500 inspection points. You can use this material to acquire fundamental knowledge to better understand processes and the services to be provided.

If you also wish to engage an independent specialist for construction supervision, the guide provides contacts and addresses for such customized services available locally.

Closing Words.

Many consumers only become aware of problems when building a new home or buying a used property when significant difficulties arise. Sometimes, it's already too late.

Therefore, you should try to avoid foreseeable errors and risks in what is likely the biggest individual investment of your life.

The Consumer Protection Agency can help you with this. They have developed an extensive guide program on the topics of new home construction and buying used properties. This gives you the opportunity to easily and inexpensively access comprehensive and unbiased information. Use this opportunity early and well before a construction project or property purchase. It can help you save a lot of money, trouble, and nerves. Below, you will find an information compass that shows you which guide from the Consumer Protection Agency's information



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