

ECONOMIC SCIENCES

PRACTICE OF EVALUATION OF REAL ESTATE IN THE FRAMEWORK OF JUDICIAL AND EXTRAJUDICIAL EXPERTISE IN THE REPUBLIC OF MOLDOVA

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Abstract

This article concerns to some important aspects of the practice of using the methodology and principles of real estate valuation in the execution of judicial and extrajudicial expertise. The article contains the study of the legal normative framework of reference to the evaluation activity within the litigation processes. In a particular mode, examples of the application of different methods of valuation of real estate and the specific use of certain types of real estate value for special cases of real estate expertise are analyzed. The difficulties related to the gaps in the legal normative framework regarding the regulation of work processes are reached. Situations of impact on the use of different types of values for special purposes of forensic expertise are outlined in the respective compartments. Likewise, methodological solutions are proposed for some described cases. These solutions are systematized using techniques and means, such as: description, comparison, measurement, observation, experiment, analysis, induction (from particular to general). The basic hypothesis of this paper is that the wider use of valuation services in forensic expertise, as well as the regulation of the use of real estate valuation methodology in the legislative / normative, institutional and methodological sense, would contribute to accelerating the development of the real estate market from the Republic of Moldova and could reduce the phenomenon of corruption. The main task of the paper is found in two basic objectives: motivating the wider use of the results of the evaluation in the procedure of judicial and extrajudicial expertise; and defining the need for the reasonable and correct use of real estate valuation results in the litigation process. The results received from the research of real cases in this paper can serve as a conceptual basis for the formation of an applied theory for the use of real estate valuation methodologies in the practice of judicial expertise.

Keywords: Real estate appraisal, Real estate expertise, Real estate, judicial expertise, Sharing, extrajudicial expertise

The experience and history of the science development, as well as the logic of the process of scientific development allow us to say that in the general natural development of science, two clearly visible and closely related parts can always be distinguished: internal and external. Internal development is the self-knowledge of science, the study of its subject in all its connections and mediations, its elements and consequences; External development is the "product" of science, for what it exists, its connections and its significance for practice (Averianova, 2009, p.5). In this mean, the product of science that develops the real estate economy has a direct or circumstantial aspects to other scientific sectors related to the exploitation of real estate objects. One of these branches presents the judicial expertise, the correlation with which it is targeted in the content of this paper, in terms of applying the results of real estate valuation in litigation processes.

The importance of the real estate value for the field of judicial expertise is more and more pronounced in the last period of time, with the development of the relations on the real estate market and their circumstantial activities. Real estate appraisal is an integral part of litigation proceedings, the tasks of which are to protect the rights and legitimate interests hurt or contested of the holders of real rights and claims. The main purposes of the expertise are to determine the types, volume, quality and cost of built or designed construction

works. The use of real estate valuation principles in judicial expertise involves the formation of special rules and standards, which will unify the procedures, and will avoid errors in the litigation process. Given the cost and importance of real estate for people's lives, health and well-being, the need for these rules is high and requires a solution as soon as possible.

The system of judicial expertise is an integral part of the justice system. The expert withdrawals provided by these specialists are critical for the objective and evidence-based conclusion of justice. The quality and accuracy of real estate evaluation inside the forensic investigations and examinations have an exhaustive impact on the quality of justice and influence the overall perception of citizens about the justice system.

In accordance to the one of the latest assessments of the judicial system in the Republic of Moldova, made in 2011 by UNDP (Report, 2011,p.7), a number of areas where identified which required improvement, amongst them is the lack of uniformity cooperation across the forensic institutions in the processes of judicial expertise and investigations, as well as the necessity of improving expertise regulatory framework. Actual practice of justice institutions has described a lot of inconsistencies among the parts of the present legal framework regulating the expertise and justice organization in Moldova, that require alignment and convergence among them.

Literature Review

An important role in the paper is given to the generalization of the experience of EU countries and the Eastern Partnership in the field of judicial expertise and real estate valuation. The study of the literature in the field of judicial expertise at national and international level, denotes a great importance given to the role of market relations in establishing the vector of resolving disputes related to real estate and rights over them (Antihie, 2014, p. 122). The main indicator of the real estate market shows the value of real estate, and references to aspects of market relations will not be complete, if this indicator and its fluctuation in changes in the micro or macro economic system will not be taken into account (Hajnal, 2019, p.524). The correlation of the value of the real estate with the changes related to the real or receivable rights over the real estate has a linear trend and creates a direct function of influence between these factors. This fact is mentioned by a generation of contemporary scholars in the field of jurisprudence theory (A.Iu. Butîrin, TV Averianova, O. Cataraga, A Smochină, I. Hajnal, E. Antohie, etc.), as well as the field of property evaluation real estate (OV Buzu, SV Gribovshii, De Sotto, AG Greaznova, etc.). In the opinion of the authors, at the current stage in national and international practice it is not allowed to design a court case related to the dispute with real estate without an expert report (Antohie, 2014, p.1). However, in order to be presented as evidence in court, the technical expertise report should have a high level of quality, in order to contribute to the correct resolution of the case concerned by the expertise (Butîrin, 2006, p.225).

The study of legal normative framework in the field of judicial expertise denotes frequent references to the results of real estate valuation in judicial proceedings.

Data sources and methods used

Methodologically, the article focuses on the description of empirical cases in the practice of using the knowledge of the real estate appraiser in the processes of judicial expertise. Some statements are formed with the help of empirical and experimental research. Through the method of inductive reasoning, the observations from the real practice are systematized. Taking into account the theoretical-scientific point of view, the research was conducted in the context of the complex and systemic approach of contemporary economic and social concepts.

As have already been mentioned before, at a certain stage of the science development, a period of quantitative accumulation of new facts begins, and a set of empirical rules established on this basis appears. There comes a time when these quantitative changes inevitably involve qualitative changes in the field, and these qualitative changes mean a new leap in the development of science. The research is based on approaches established by the methods of analysis, synthesis, logic and dialectics.

The analysis, as a research method involves the mental dismemberment (decomposition) of any complex phenomenon (as a whole) into its components - simpler parts, elements. Through the analysis, the operational processes regulated by the legislation in force

were decomposed, which involve the application of real estate valuation techniques for established cases. The described cases, combined with examples from practice, are to be induced in a basic theory. The synthesis serves to achieve this goal. The essence of the synthesis consists in combining, reproducing the connections of the separate parts, the elements, the sides, the components of a complex phenomenon and the realization of the whole in its unity.

Theoretical justification

The Law no. 68/2016 on the Judicial Expertise and the Status of Judicial Expert provides for the regulatory framework and the requirements on the functionality of the judicial expertise system on such issues as the coordination and methodological mechanisms, admission to the profession, training and qualification/licensing, etc. In accordance with this act, when performing judicial expertise on real estate at the request of the court, or of the arbitration institution, according to the Law 23/2008 on the Arbitration, special knowledge in construction as well as real estate economics and management are required for:

- determining the costs and material quantity of damage caused to buildings due to natural or anthropogenic factors;
- establishing sharing and conditional options for the actual division of the property between co-owners in disputes concerning the common property exploitation;
- disputes related to contesting the correctness of the processes of: privatization, taxation, pledge, reconstruction / repair and other processes of economic administration of the real estate.

In practice, damage is understood as the loss of the technical integrity of a structure and the cause of defects (destruction), as well as inconsistencies arising from natural or anthropogenic actions on the building. As an example, the evaluator's participation in the litigation process in the case of establishing the degree of administrative responsibility for the destruction and damage of someone else's property. It refers to public or privately owned real estate, including buildings that are not defined as real estate according to the legislation in force. Along with the damages that cause the determination of compensations for the destruction / demolition of the real estate, there are also damages affecting such factors as limiting access to property, lighting and sunshine, which in turn requires expression by quantitative factors after a professional study.

Disputes regarding the sharing of real estate jointly owned involve the execution by a certified specialist of variants of division of the common real estate property according to the real quotas held by the co-owners. The sharing of real estate is performed in two ways: formation by division and establishing the mode of use. Although the conditions are relatively equal on both processes, the principles of execution as well as their results differ significantly. The formation of real estate by division involves the creation of new real estate, legally and economically autonomous. Sharing by determining how to use it is based on determining the areas of use of the co-owners individually while maintaining the integrity of the property. The value of the

shared real estate, the value of the parties following the division, the change of values due to the division, as well as the determination of the correspondence of the shared parts values to the quotas held by the parties, become the objective of the specialist involved in the evaluation process.

Determining the cost of the building / repairing / restoration project is an exhaustive part of the litigation for calculating the material damages for different cases of correlation on the real estate market segments: real estate insurance, investment in construction objects of foreign capital; the formation by division of real estate (or the determination of the way of use), causing pecuniary losses; as well as other cases from the daily practice of real estate exploitation. In these cases, the needs to determine the value on real estate as close as possible to the market should be mentioned. This segment is widely used by forensic experts to argue professional findings. Some estimation purposes can be marked in a litigation: sharing a common property; accounting of the constructions from the assets of the economic units (or of the debtor mass) in the insolvency process; full or partial real estate expropriation; the calculation of the material damages of the real estate property loss of the operational functionality, the forced execution of the repayment of an unpaid credit or fiscal debts, the contestation of the insurance value and petitions regarding the loss of some aesthetic criteria, etc. Regarding the aesthetic properties of buildings, edifices and arrangements, it means architectural expression that fulfills the purpose of construction objects and is manifested by the rationality of forms, integrity of composition and perfection of construction and proper decorative works as a separate building, as well as general urban composition of the a building complex. The loss of the aesthetic aspect of the estate due to external factors can be manifested in the significant decrease of the attractiveness of the object and its market value falling.

When evaluating new construction projects or reconstruction of existing objects, the research may have the predictive mode. For example, such an investigation is necessary when the courts reviews challenging applications against the decision of the local public administration council (city / municipality / district, etc.) to prohibit the construction of buildings according to individual projects. Authorities, passionate about their power, often tend to overstep their duties, and may misapply the law. Misinterpretation or good faith violation may go beyond the jurisdiction of other authorities and the subjective public rights of citizens. Moreover, these violations “occur the more often, the less the administration is controlled” (Reazonovsky, 2005). Constructions are often encountered with deviations from the applicable requirements of the current regulations. Establishing the truth for the resolution of such disputes between citizens or organizations and administrative authorities is usually impossible without the participation of a knowledgeable person in the field of real estate economics.

Tasks of evaluation in the justice practice

Studies related to the construction work and material cost determination for the whole building or its part thereof, go beyond the expertise scopes, identified by

its title. However, in practice these studies remain an integral part of the professional activity of an expert. In this section, the reference study for the evaluation of real estate for judicial cases is required. A number of cases referring to the knowledge of a real estate appraisal specialist related to real estate are described below.

1. The legal framework in force provides the criminal liability for violation of the construction works rules, which involve, in particular, major damages (Law nr.985, Art. 257). The determination of the amount of damages can be carried out only with the use of appropriate specialist knowledge. The calculation involves the division of the stages of building construction and the determination of damages due to the stagnation of the process, the increase of risks due to the use of inappropriate materials / techniques and the assessment of the losses caused to them.

2. The insolvency process (Law nr.149, Art.108, Para 5) provides that for the determination of the market value of the goods, the insolvency administrator / liquidator will hire, at the expense of the debtor, an evaluation enterprise. At the same time, for various reasons, it is assumed that other evaluation reports are executed simultaneously and that the appropriate variant is approved by the court.

3. In civil and arbitration proceedings, the special knowledge of a real estate appraisal expert shall be required in legal proceedings relating to claims for the application of the consequences of invalid and void transactions, invalidation of the transaction, disputes concerning the rights and legitimate interests of persons engaged in business and other economic activities.

4. Concerning the Penal Code, by Law nr.985, the need for the execution of judicial expertise in the evaluation for real estate in the industrial, housing and urban sector also appears in criminal proceedings in the investigation of the cases related to the acquisition or sale of illegally obtained goods or money laundering (Art. 243), obtaining illegal use of a loan (Art. 239), fictitious bankruptcy (Art. 253). All these cases are directly concerned to the real estate value and its market abilities.

5. In the judicial examination of disputes between spouses over ownership of property, it is necessary for the expert to have special knowledge in determining the value of the part of the property, as well as the construction work carried out during the marriage. In accordance with the Family Code of the Republic of Moldova (Art. 23), the property of each of the spouses can be recognized as common property, if it is established that during the marriage at the expense of common property the spouses or property of each of them or the work of one of the spouses invested significantly increased the value of this property (overhaul, reconstruction, re-equipment, etc.). It should be noted that the determination of the type and volume of work performed is not the responsibility of the expert.

6. When examining civil disputes concerning the establishment of shares in common property, the calculation of the costs supported by the parties shall make it possible to determine the degree of participation of

the co-owners in the construction, arrangement or repair of the building in litigation. The co-owner who has made from his account, with the agreement of the other co-owners, to the common good inseparable improvements has the right to request the respective modification of the shares or the compensation of the expenses. (Law 1107, Art.545, Para.(2)).

7. Calculations are also required when determining the amount to be paid by one of the parties, when the value of the allocated part of the common property differs from the equivalent cost of the ideal share of the co-owners in real estate, as well when carrying out repairs and restorations during the examination of claims for damages in case of buildings destruction (Law 1107, Art. 561).

Valuation approaches and value types

Currently, three approaches of real estate evaluation are recognized: the cost approach, the sales comparative approach and the income approach. The application of these approaches through different techniques in the evaluation of litigious cases, presents a topic of discussion between specialists. The legal framework by Provisional Regulation on the valuation of immovable property, generally classifies the application of approaches according to the destination of the estimated real estate (Gov. Decision, p. 10). As for particular, specific cases, they have to be regulated by a special branch normative framework. Some of the disputed situations are described below.

In the process of building constructions, there are specific cases of need to implement different approaches of real estate evaluation. When establishing the consequences of decisions in cases of stagnation or conservation of construction / repair works, the purpose of determining by the expert the value of constructions or completed works is to establish the evidentiary circumstances that are necessary to substantiate the decision. Thus, if due to any circumstances not dependent of the involved parties in the construction process the works are stagnant or suspended the beneficiary of the works shall pay to the executor of the works all volumes executed until stagnation, taking into account the interest that the contractor received or could have received as a result of the work cessation.

If a dispute between the beneficiary and the executor concerning the specified amount falls within the scope of legal proceedings, the expert must make economic calculations. Likewise, the need for calculations arises when determining the cost of excessive material costs in the production of construction works. If such an addition is unreasonable, it is not included in the cost of construction work, but is subject to compensation at the expense of the guilty party in the manner prescribed by current legislation.

Determining the market value of construction objects and the plot of land can be a task for an independent expert as well as an intermediate stage of a research, which takes place in the examination of civil cases related to real estate litigations.

A special aspect to the use of classical approaches of estimating the value of real estate is to be given to the conditions for calculating the mode of sharing and the destination of the calculated value. As an example,

when calculating the values of the shares divided by the approach of comparing sales, in order to account the price, will not be taken into account when calculating the value of the controversial object such as: location in district or rural centers, locality or periphery, access to a road of the national and / or local level; the level of development of the district in which the object of sharing is located; the adjacency of the forest, lake or tourist area; the existence at close range in time or perspective of industrial objects, landfills, or other sources of harmful effect on humans, and other basic empirical factors. This statement can be argued by an example that follows.

The family house, built in an elite locality belongs to two spouses on a common land ownership by the newly formed family (Land Code. Law no. 828, Art.11). The contribution of the parties to the construction of the house is equal. Respectively, when sharing, the parties have equal shares in the right of ownership over this house. Due to the architectural factor and technical conditions (individual project, limited access to municipal networks, common areas, etc.), the house can not be divided exactly according to their ideal shares. Therefore, in accordance with the provisions of the Civil Code, (Art. 561, Para (4)), the court must establish the amount of the payment as compensation to the part who after the division will receive in possession a smaller real part of the house than its ideal share. In this case, it prevails that the valuation of the property consists in the determination of its market value that is directly related to its sale.

Article 4 paragraph 76 of Regulation (EU) No 575/2013 of The European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 sets out the following definition of **market value**: - *“The estimated amount for which the property should exchange on the date of valuation between a willing buyer and a willing seller in an arm’s length transaction after proper marketing wherein the parties had each acted knowledgeably, prudently and without being under compulsion.”*

The problem is that the situation considered above does not involve a sale-purchase transaction and the owners will continue to operate the assigned parts. Therefore, there are no conditions for accounting the need to determine the actual market value of the case-property. Common sense would contradict an increase in the amount of compensation based on the influence of such a factor as the location of the building in the elite area, because the value of the house is determined only by the costs associated with its construction.

The real estate market value, as a rule, is the most important and often assigned value in real estate evaluation reports. This value is based on calculations and other types of values: liquidation value, fair value, value for taxation (taxable base), etc. with the application of specific adjustments and use in most transactions, such as: buying and selling, pledging the object, establishing rent payments, denationalization of public goods subject to privatization, etc.

The meaning and technique of calculating market value require special attention when applying it in a litigation. As an example, the use of market value in the sharing of the common real estate is reasonable for a variant of selling the intangible asset and dividing the amount earned by the shares held. However, in view of the property division, in the conditions of future use the property by the co-owners (see example above), the cost approach which in accordance to the Provisional Regulation nr.958/2003 on the Valuation of Immovable Property, consists in estimating the market value, as the totality of the expenses necessary for its creation in the current state or the reproduction of its consumption qualities. There are two different values received following the application of the expense method: "replacement cost" - the sum of the total expenses necessary for the construction of a building or constructions analogous to the object of valuation, calculated based on market prices, existing at the valuation date; and the "reproduction cost" - the sum of the total costs necessary to create an exact copy of the assessed building or construction, calculated on the basis of market prices existing at the valuation date, applying materials and technologies identical to those used to construct the valuation object and taking into account its depreciation. The choice of the calculated value is made following the case study and the information accessible to the expert.

The above statements do not refer to cases where the actual division in kind of the disputed property is not possible. In this case, the object should be assessed in its entirety, taking into account market factors. Such situations are encountered when any formation of real estate by division does not correspond to the normative provisions regarding real estate objects. As an example, for apartments with a single dwelling room it is not possible to divide into some autonomous real estates. In such conditions, the part that after the division will left home, will receive a reward equal to the share of those belonging to the amount necessary for the purchase of housing of the same size and quality under similar conditions.

Another exception is the situation when the result is calculated when sharing real estate in the area with negative characteristics at market value (long distance from administrative centers, unfavorable environmental conditions, lack of developed infrastructure, etc.). The market value of residential buildings, of domestic buildings in such places can be significantly lower than the cost of their construction. Therefore, the cost approach method in such circumstances is inapplicable, as the compensation thus calculated in determining the value of a part of the household may be equal to or greater than the market value of the whole household and this is absurd.

A common example from everyday practice is the challenge of the tax value with the presentation of the out-of-court valuation report on the non-correspondence of the taxable base with the current market price of the taxable object. In the context of the present issue, it should be mentioned that, although in accordance to the Fiscal Code, by Law 1163/1997, Art. 279, Para. (4),

when determining the taxable value, the methods of determining the market price are applied, such factors as the method of mass calculation, the variety of the valuation / revaluation period as well as the grouping of goods in categories / subcategories, differ the results of this process to individual assessment. In such circumstances, the "cadastral value" (the taxable base calculated by the cadastral subdivisions for tax purposes) cannot be considered in a dispute as the market value (or other type of value that differs from the primary destination), without its individual revision in depending on the purpose and current situation of technical and economic factors.

The same situation can be targeted in the conditions of artificial real estate accession, regulated by the Civil Code, by Law 1107/2002, Art.521. Unauthorized building of underground or above-ground constructions on foreign land, involves the payment of compensation to the landowner in the amount of the value that the land or portion would have had if the construction or work had not been carried out. In such conditions it is not possible to determine a value appropriate to the size of the overlapping land in the absence of a market on such small objects. Thus, under such conditions, the notion of "market value" is replaced by "fair value".

In the same order of ideas, in terms of using valuation methodologies in forensic expertise, the calculation techniques of different types of securities are to be configured: insurance value, liquidation value, mortgage value, investment value, etc.

Research results and discussions

The real estate valuation methodology is a discipline whose technique can be used in various fields. Judicial expertise in real estate is also an activity with a wide historical background, with many analyzed and systematized aspects. In the field of services on the modern real estate market, extensive experience and modern analytical methods supported by professional intelligence have been established. However, the human factor is still indispensable during design and implementation. Practical experts from different developed countries have significant experience, considering the above statements as basic principles. They formulated their concepts regarding the applicability of real estate valuation methodologies taking them into account. They find its assistance particularly useful in the professional fields of forensic expertise, in which standard solutions do not meet the requirements of objective judgment. This is why, from the evaluation methodologies, based on a professional experience, the theories applicable for daily used practice is described. Due to the application of scientific research mechanisms, individual points of view are incorporated in the recommended or mandatory legal norms and serve as a rigid pillar for the execution of those works. As a result of the generalization of the above-mentioned examples, theories are created, on the basis of which a meta-theory has to be formed, i.e. a higher-level theory, the provisions of which are equally applicable to all objects of generalization. It should be noted that meta-theory is not just a synthesis of its foundations, but a qualitatively new knowledge, which has a particular structure, with specific connections between the elements and

concepts of real estate valuation methodology in forensic expertise. It is a meta-theory that will be meant to gather all the facts, phenomena, theoretical constructions accumulated in the examination of real estate, in a systematized whole - the general theory of their examination.

Following the idea of the legal framework concerned, as well as taking into account examples addressed in this article, the hypothesis of using real estate valuation specialists in forensic expertise not only in cases related to determining the value or contesting it, but also in other cases, refers to the operation and management of real estate, is a clear and indisputable goal. It should be mentioned that the hypothesis of the given work does not consist, nor can it be interpreted in the idea of replacing the executors of the judicial expertise with the specialists in the evaluation of the real estate. The purpose of the research is to explain the need to use in the judicial and extrajudicial expertise of knowledge in estimating the current value, as well as motivating their development.

As for the lack of the regulatory normative framework, another situation can be conceived. Currently, except in cases where the valuation is ordered by the court to a specific appraiser, the parties may submit the out-of-court valuation reports of the disputed real estate. Thus, in practice it happens that in litigation one part can evaluate the real estate in a company, and the other part can turn to another appraiser. As a result, the plaintiff and the defendant submit two different assessment reports to the court. In addition to being trained by different specialists, the evaluation result can often differ significantly. Despite the fact that evaluators are required to use certain methodologies and make evaluations in accordance with established standards, which should lead to the same results, in fact, the results do not concur (Strelîţova, 2015). The litigation is aggravated by the opposition of the evaluation reports and the contestation of their quality between the parties. In such conditions, the court will decide which of the presented variants can be used, or will establish an independent evaluation at a certified specialist in the execution of the judicial expertise.

The need for clear rules to address these issues is growing. According to the official statistical data of the National Center of Judicial Expertise, for 2019 the share of expertise on cases related to the activity of the Laboratory of Judicial Expertise in Constructions and Evaluation is 30% or 967 out of 3226 total expertise's with different degrees of complexity. The rate of 90% from assessments refers to civil cases. It should be noted that the growth dynamics of cases for the period 2017-2019 is 224%, and according to current data from the Report on the activity of the National Center of Judicial Expertise, attached to the Ministry of Justice of the Republic of Moldova in 2019, the volumes are growing significantly. This effect, caused by the increase in the number of economic and other disputes in civil and arbitration courts, is generated by the lack of an effective mechanism for legal regulation of the processes of forming new real estate relations that take place in the country and accompany the process of real estate market development. The appearance of several

complex types of relationship between the real rights holders and claimants derives from the increasing complexity in the investigation of litigious cases.

Conclusions

Within the limited scope of this article, not all possible cases and situations in the practice of the expert's activity can be exposed. However, the detailed description was not included in the aim of the given research and the purpose is to shed light on current issues and set out the recommendations for initiating scientific investigations in the field.

A preliminary analysis on the topic of this article indicates a range of problems associated with different interpretations of legal norms and the use of professional concepts, the lack of clear requirements for the composition of the expert examination report, the ineffective functioning of the mechanism of admission to the profession of a forensic expert and subsequent assessment, the lack of clear provisions on the curriculum for initial and continuous training of forensic experts and absence of national institutional system for the training of judicial experts.

The following concepts can be stated as the conclusions of the research produced:

- The request for opinions of real estate valuation specialists in the judicial study of the case of disputes related to real estate, would avoid unreasonable and inappropriate court decisions caused by the lack of a well-founded study and highlighted of all aspects of influence;

- The solution of the problems related to the incorrect interpretation of the valuator's tasks and / or the misuse of the valuation results is possible by establishing some norms regulating the real estate valuation processes within the judicial expertise;

- The development of the legal normative framework in the field of activity of the appraiser within the expertise through the synthesis of real estate valuation methods, as well as the establishment of the type of values used for different situations in real estate disputes, will allow a positive dynamic in the fight against corruption ensuring legality in decisions related to property rights, as well as will positively influence the establishment of compliant practices for the successful implementation of reforms in the judiciary in the Republic of Moldova. The fair reference to the evaluation principles, used in the process of estimating the respective values, will not allow the dubious interpretation of the values deriving from the evaluation reports of the specialists.

- Formation a framework from the specialists of the institutions that lead policies in the development of the real estate evaluation branches as well as the judicial expertise, could have clearly led to an acceleration of the development processes of the applied methodologies. The expected output for the framework assignment is to review the current career development system for judicial experts (admission to the profession of judicial expert, initial and continuous training, qualification/licensing requirement, evaluation of performance, professional monitoring and disciplinary proceedings, etc) and to provide norms which would ensure efficient and uniform approaches of real estate

evaluation, professional progression and connected processes, as well as adjust of these processes to the international best practices. The team is also expected to conduct the assessment of the collaboration and coordination within the national forensic institutions system, establish the gaps and opportunities and provide solutions for enhancing the existing relationships, by means of recommending alternative models and associated implications for changing the existing situation.

- A well-established institutional infrastructure, adjusted with the international norms of quality, with raised level of the experts skills, transparency and efficiency in institutional processes, the process standardization according with the ISO and workflows automation is dominant for the ability of judicial evidence to adequate put review of the cases on the all stages of the real estate litigation process. Though the high importance for the administration of justice is clear, judicial expert institutions benefit from a limited state assistance and support in their development attempts as compared to other parts of justice domain.

Thus, the initiative must be shown and preliminary work done to highlight the problems mentioned above and inconveniences on the common stage of the justice system and among forensic service providers within state level in Moldova.

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