



HERTZ

Construction & Project Management

June 2014

Newsletter

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HERTZ CONSTRUCTION & PROJECT MANAGEMENT TO TAKE PART IN A LUXURIOUS RESIDENTIAL DEVELOPMENT IN ONE OF BUCHAREST'S MOST EXCLUSIVE LOCATIONS

An international investor has just finalized all the groundwork relating to a new residential development in one of Bucharest's prime neighbourhoods and is preparing for the initiation of the construction works relating thereto. Hertz Construction & Project Management is very proud to announce and to take part in the rise of this project, having an exquisite design and an amazing location, as Project Manager of the entire development.

The details of this new residential project which will soon become part of the Bucharest residential landmarks are to be disclosed soon and we are confident you will share our excitement once you learn all the insights of the development.

We will keep you updated on the latest news relating to our new assignment through our newsletter and our website, so don't forget to stop by.

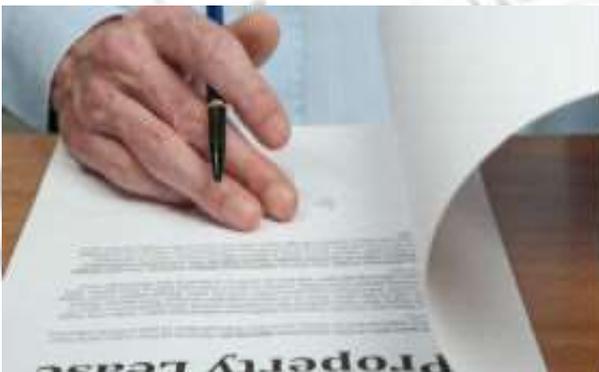


I. REAL ESTATE IN ROMANIA

Hereinbelow you will find a brief description on essential legal data required by investors taking into consideration starting a real estate related business in Romania.

LAND REGISTRATION

Under the New Civil Code, ownership rights over any immovable assets (with certain exceptions expressly stipulated under the law), is acquired via registration in the Land Book. Similarly, ownership right over an immovable asset is extinguished via de-registration from the Land Book. However, until the rule above becomes applicable, registration with the Land Registry is made for enforceability purposes. Thus, registration of property titles in the Land Books kept by the local offices of the Agency for Cadastre and Land Registration makes the ownership right public and enforceable against third parties, i.e. registration is presumed to be accurate and complete until otherwise proven. Registration with the Land Registry does not guarantee a potential invalidation/nullity of a deed of transfer.



Another role played by the Land Registry is to keep a record of all mortgages and other real estate collaterals and liens covering a certain property. Under Law no 7/1996 on real estate publicity, any interested person is entitled to obtain a land book excerpt from the Land Registry for information purposes (“open door policy”). In order for sale purchase agreements to be notarised, authentication excerpts issued by the

Land Registry must be obtained. This document, which is valid for only 10 days after it has been requested, typically provides such information as to who the owner is, the assets and surface owned, whether there are any mortgages, privileges, easements or encumbrances, etc. However, this excerpt is not an absolute proof of ownership. Therefore, the performance of a legal due diligence to validate title to the property to be acquired is strongly advisable.

LAND RESTITUTION PROVISIONS

Following the enforcement of the restitution laws, currently around 90% of the agricultural land in Romania is privately owned and, according to some sources, the percentage is even higher for land located inside city limits. The main legal provisions governing land restitution are Law no. 18/1991, Law no. 1/2000, Law no. 10/2001, and Law no. 247/2005, as subsequently amended.



As a general rule, former owners benefit from restitution in kind of their former properties, while restitution in cash equivalent is an exception. However, under the amendments made to Law 10/2001 in 2008, real estate sold under a sale-purchase agreement under Law no. 112/1995 is no longer returned to its former owners, who are entitled to receive only adequate compensation. Even if claimants potentially entitled to file restitution claims under specific restitution laws (such as Law no. 10/2001) have not asserted such claims, under the Romanian Civil Code they are theoretically entitled to reclaim their former properties, without any statute of limitations being applicable. Nevertheless, a high burden of proof is required in such legal actions and according to general rules; such claims are not admitted if previous claims have been filed by the same individuals/their successors under specific restitution laws.

One of the solutions adopted by the Romanian Government for property restitution was the establishment, under Title VII of Law No. 247/2005 and Government Ordinance 1481/2005, of Fondul Proprietatea SA., to ensure the financial resources required for the indemnification of individuals whose property was expropriated by the communist regime. Indemnification is in the form of shares issued by Fondul Proprietatea SA, representing the updated value of a property that cannot be returned in kind to the entitled persons who thus become shareholders in Fondul Proprietatea SA. The market value of these shares was set after Fondul Proprietatea S.A. was listed on the stock exchange in January 2011.

(source: www.zf.ro)

II. OUR CURRENT PROJECTS

Tagor Urban Village - Pipera, Romania



Tagor's second Bucharest project is developing fast and the construction is looking ready for completion at the end of the year. All works are going according to schedule and the weather is also looking more positive, allowing works to advance at a better pace.

The project in Pipera will start with 100 units and will comprise 600 units by its completion.

Tagor Urban Village - Arad, Romania



Tagor is expanding its revolutionary mini-room concept of 'Urban Village' to Arad. The investment in this first phase, scheduled to be completed by the end of next summer, is approximately €7.3 million. The total value of the Arad project will be, at completion, of over €108 million.

The construction site is situated in the central area of Arad, and the project comprises a number of 1,323 apartments and commercial center of over 5,400 m².

Student accommodation buildings – Bucharest, Romania



We are currently managing and supervising the renovation of two student accommodation buildings in Bucharest, involving an investment of approx. 1 million EUR. The buildings have strategic locations, in the vicinity of universities and public transport hubs. This project is very dear to us, since the renovation of these units will improve the offer of accommodation for students in Bucharest, aiding the improvement of the overall experience of these young adults in the capital of Romania. It is well known that student homes are very in demand and we are working hard to make sure that, upon their completion, these accommodation units will fit any student's dream of his/her first home away from home.

(for more details, visit: www.hertzmanagement.com)

III. MARKET DEVELOPMENTS

The works in Romania for the Iasi – Ungheni oil pipeline are finalised

The works in Romania for the Iasi-Ungheni oil pipeline were finalised, including the sub-crossing of the Prut river, the operating system being quickly taken over by the Transgaz, announced the minister for energy Razvan Nicolescu, in the meeting of the government on Saturday. The legal framework which allows Transgaz to operate this pipeline was regulated on Saturday by the government through an emergency ordinance, which completes the law of oil and gas.

At the end of the meeting, the government sent a press release in which they showed that, through the ordinance they approved, the legal framework was created for the interconnecting pipelines – the system of transport in Romania to be linked to the neighbouring countries - to become an integrated part of the national system for the transport of oil and natural gas.

Romania and the Republic of Moldova work for the construction of a gas pipeline between the two countries on the route Iasi and Ungheni, having as objective the interconnection of the transport system of natural gas.

(source: www.actmedia.eu)



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