

# Chronicle of the Baltic Valuation Conference

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**Key words:** valuer of fixed assets, Baltic Sea States, comparison, ideas, ethics, cooperation.

## SUMMARY

Nineteen years ago I was invited to Iceland to tell our colleagues there, how we made our valuer job in Germany. There in the high north the idea was born, to come more together between the professional valuers in the Baltic Sea States.

First time we met in the Chamber of Industry and Commerce in Lübeck in springtime 1992. And so on in every following year we came together in all the other Baltic Sea States. In Norway, Denmark, Sweden, Finland, Germany, Poland, Lithuania, Latvia, Estonia and Russia. We got visitors from other countries like Belarus, Ukraine, Romania, Bulgaria and China.

It's the sixteenth Baltic Valuation Conference now in Klaipeda. Every time we get to know a Baltic Sea State, its valuers and its current questions about valuation. We discuss special topics like International Standards, site preservation, accounting, compulsory purchase and many others.

Today our topic is recreation and leisure at a splendid place like Klaipeda and Palanga.

## SUMMARY in German

Vor nunmehr neunzehn Jahren war ich von unseren Kollegen in Island eingeladen, um ihnen zu erzählen, wie wir in Deutschland unsere Sachverständigenarbeit machen. Dort im hohen Norden wurde die Idee geboren, regelmäßig zwischen den professionellen Wertermittlern in den Ostsee-Anrainer-Staaten zusammen zu kommen.

Das erste Mal trafen wir uns im Frühling 1992 in der Industrie- und Handelskammer zu Lübeck. Und darauf folgend kamen wir jedes Jahr zusammen in all den anderen Ostsee-Anrainer-Staaten. In Norwegen, Dänemark, Schweden, Finnland, Deutschland, Polen, Litauen, Lettland, Estland und Russland. Wir kriegten dabei Besuch aus Weißrussland, der Ukraine, Rumänien, Bulgarien und China.

Dieses Mal in Klaipeda und Palanga ist nun die sechzehnte Baltic Valuation Conference. Jedesmal lernten wir einen Ostsee-Anrainer-Staat kennen, seine Wertermittler und ihre aktuell zur Wertermittlung anstehenden Fragen. Wir diskutierten Themen der Immobilienbewertung, wie Internationale Standards, Natur- und Denkmalsschutz, Bewertung als Grundlage der Buchhaltung, Enteignungsbewertung und viele andere.

Heute ist unser Thema die Wertermittlung von Grundstücken, die der Erholung und Freizeit dienen. In Klaipeda und Palanga, einem herrlich dafür geeigneten Platz.

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## 1. AN IDEA WAS BORN

On a very dark evening in November 1989 in Reykjavík, the capital of Iceland, after a week full of discussion about appraisers' work in Germany, we sat together, Icelandic colleagues and me. A few weeks before the Berlin wall had fallen. In Reykjavík we were directly in view of the white manor-house where Ronald Reagan and Michael Gorbatschow had their first peace talks to end the cold war.

It suddenly was there. Should we not more come together with people of same profession in neighboring countries? Everybody was for it. We should!

## 2. ELEVEN COUNTRIES

### 2.1 Sixteen years, sixteen times BVC

#### 2.1.1 1992 Lübeck

With the Chamber of Industry and Commerce (Industrie- und Handelskammer zu Lübeck IHK) and the Verband der Bausachverständigen Norddeutschlands e.V. VBD I could invite the associations of professional valuers in the Nordic Countries. 37 participants from Denmark, Sweden, Finland and Germany discussed with Dr. Peter Bleutge from DIHT the German rules for valuation of properties. The use of IT, cash-flow-method were other issues and the comparison of the systems in the different countries. The evenings in the old Hanseatic wine-cellars were a very good help to overcome the language barriers.

#### 2.1.2 1993 Copenhagen

Next year in Copenhagen, Kirsten Knudsen from the Ministry for Duties and Taxes and Asbjørn Kloppenborg Skrumsager from IDA, Ingeniørforeningen i Danmark were showing us the Danish system of data collection, centralized valuation of all properties and the supply both to the tax offices and the market of fixed assets. To wine and dine with typical Danish meals was the culinary rounding off.

#### 2.1.3 1994 Helsinki

There we were 31 participants. It was a result of Olavi Myhrbergs connections, that we had for the first time colleagues from Estonia, too. We took the German problems after unification, the certification in different European countries, the public data collection in Finland and all the new questions they had in Estonia as a former country of the Sowjet Union. We visited a real estate agency, a holiday resort, a national forest park and were not least altogether in a real Finnish sauna.

#### 2.1.4 1995 Stockholm

Åke Ekwall, the president of the valuers in the Swedish Society of Real Estate Economics SSF was welcoming twenty participants from Norway, Finland, Estonia, Latvia, Lithuania, Germany and Sweden. The actual development in the three Baltic Countries, the real estate crisis in 1991 in Sweden ( Fall in property prices down to 50 % within 12 months.), protection of data privacy, conversion of railway station buildings, a Finish research about

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the real wishes of the valuers client. During evenings festivity the first name was born: THE NORDIC VALUATION CONFERENCE.

#### 2.1.5 1996 Tallinn

Under the efficient direction of Tambet Tiits, the chairman of EKHY (Estonian Association of Appraisers) colleagues from eight countries round the Baltic Sea came to Tallinn. Main lecturer was Mr. North from Toronto, at that time president of the International Valuation Standard Committee (IVSC). International standard, standardisation in Europe, marked development and property rights in Estonia, valuation in Lithuania, the Danish system of property taxation, valuation now in the former GDR, Finnish farmland after EU expansion, valuers' certification in Norway and a practical method to collect all necessary data about a property were the topics on That occasion. Really a lot of topics on our agenda beside all hospitality and look around in this beautiful city.

#### 2.1.6 1997 Oslo

We were invited of the Norwegians ( Norsk Takserings Forbund NTF ) to Oslo. It was the first week in October, but with good weather. 28 Participants from seven Baltic Sea Countries. European Standards, valuation and cash flow method, but the best was a joint survey of a site in the city of Oslo and a following valuation of every participant and later discussing the results. Aker Brygge is a well succeeded conversion of a former ship yard area. A lot of ownership and user models have a collective leadership to manage this whole new waterfront district. Chairman Erik Larsen and directør Arne Støbakk of NTF were perfect hosts in the capital of Norway.

#### 2.1.7 1998 Wismar

In Wismar with over 50 participants from eight countries organised by the University of Rostock (Prof. Walter Schäfer) and the VBD (Fritz Hörmann) we were in Germany again.. We thought the Baltic Sea States were a geographical area with a very good foundation and therefore changed the name into THE BALTIC (NORDIC) VALUATION CONFERENCE. The publicly certified and sworn in expert in Germany and the European certification, historic development of socialistic residential construction "Plattenbau", again a joint survey of a site in the city of Wismar and a following valuation of every participant and later discussing the results, from our Islandic colleague Gunnar Torfasson a background story about mass survey report after volcanic eruption on the island of Heimaey and other themes were rounded off with common city sightseeing and a feast in the town-hall.

#### 2.1.8 1999 Vilnius

We had great success ( thanks to Lithuanian Association of Property Valuers ) in Vilnius. A small variation of our name had taken place meanwhile: BALTIC VALUER CONFERENCE and the main focus lied on the education of valuers in the different European countries. Prof. Erik Persson from Sweden gave an outlook on their development in the next millennium. We got a very privat view on the actual situation in Lithuania, we saw the capital and surroundings come together with people of this former for us almost unknown country.

#### 2.1.9 2000 Turku

Turku had "Current issues in Valuation" and "The use of indexes in Valuation" on the agenda. Sixty participants. Very well organised by Olavi Hiekka and Hanna Raasaka. The first time guests from Russia and Belarus, too. How does the official market price register works in Finland and other lectures from the participants from other countries gave us a great pleasure. Turku or Åbo in Swedish the ancient capital of Finland with its harbour, buildings and places and the evening in an historic area with our Finish friends we will never forget.

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#### 2.1.10 2001 Riga

One hundred and forty participants from ten countries, that was the top. Colleagues from Belarus and Ukraine, too and a perfect translation service. And as final name of our normally informal meetings we decided the BALTIC VALUATION CONFERENCE BVC. The issue: "Relationships between appraisers, banks and insurance companies". We heard in examples from the different countries how the approaches between banks, insurance companies and valuers actually work. A lecture about valuers' professional liability insurance rounded off the official part of the conference. We made a sightseeing tour and had a common great festivity with music and dance. Thanks to our Latvian colleagues and friends Vilis Žuromskis and Daiga Deruma. Perhaps here was the start of the first BVC-marriage (Tuomo Heinonen and his wife from Latvia).

#### 2.1.11 2002 Lübeck

After ten years we came back to Lübeck in the *Buergerschafts-Sitzungssaal* in the historic town hall of the *Queen of the hanseatic league*. Sixty colleagues from nine Baltic Sea States discussed the issue: Valuation of properties under preservation (historic buildings and preserved landscape). The centre of the town is a very good example to talk about historic buildings presented by Dr. Horst Sievert, the head of Lübeck's preservation office. We heard a lot about valuation of real estate under preservation from Tambet Tiits from Tallinn, Olavi Myhrberg from Helsinki, Bernhard Bischoff from Berlin, Andrzej Hopfer from Warsaw and Erik Persson from Stockholm. Erik Larsen could present the use of Norwegian standards and design of reports. Sightseeing in town, a trip on the Trave river and a meeting in town hall with the officials were parts of the agenda. The VBD with Fritz Hörmann and his wife Ina stood together with BVS, IHK Lubeck and IfS for this arrangement with 59 participants from 9 countries.

#### 2.1.12 2003 Gdansk

The issue was: "Valuation of sea-connected real-estate". President Waclaw Baranowski (The Polish Federation of Valuers' Associations) and his successor Prof. Andrzej Hopfer with a good programme and perfect hospitality were hosts at this Whitsun weekend. 47 participants heard about a new conversion project in the harbour of Oslo, how to value sites in front of the water in Germany, in Finland, in Sweden and in Masuren in Poland, too. We could see the places in the old shipyard in Gdansk, where Solidarność started in 1980. Later we got a view inside the actual conversion project to use the old shipyard for residential and commercial buildings, a very new part beside the historic town. A sightseeing-tour and a feastful evening with the Polish colleagues with a wild pig roasted on a spit were the round offs.

#### 2.1.13 2004 Oslo

The colleagues of NTF were the hosts in the Grand Hotel, Karl Johans Gate in Oslo. The president of NTF, Erik Larsen, opened the BVC 2004. The subject of the conference was the Norwegian computer program Key to Valuation. It was a perfect arrangement, thanks to the Committee of BVC 2004 ( Are Aakerøe, Odd Hovde and Helge Jensen ) with NTF-secretary Birgit Liodden. On the agenda were the collection of property prices in Estonia, the use of IT in Valuation in Lithuania, the computer-aided valuation in Finland and the use of collected data on valuation in Germany. We had a interesting evening with artists from the opera, we went outside town up to the Hollenkollen with a perfect view over Oslo bay. Altogether a magnificent memory.

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### 2005 Tallinn

The Estonian Association of Appraisers EKHY was host in the "Reval Hotel Olümpia" in Tallinn. Tambet Tiits, head of the board of EKHY, opened the BVC 2005. The name of the program of the conference was: "Valuation and Property Market in Globalisation". The first speaker was: Mrs. Tea Varrak, Deputy Finance Minister of Estonia. 150 Participants, seventeen of them from abroad (from 10 countries) including Romania + guests from China. Thanks to managing director Katrin Kolbre (EKHY). A very new topic was the valuation at financial reporting after International Accounting Standards IAS and International Financial Reporting Standards IFRS after the EU directive on 1<sup>st</sup> January 2005. We heard from Ilie Sandu how it is to join the EU and the news about valuation from Estonia, China, Germany, Russia, Finland, Sweden, Norway, Poland, Lithuania and Latvia. We could create new contacts in an official reception in the historic town hall of Tallinn and enjoyed an evening under colleagues in an old inn in the city.

#### 2.1.14 2006 St.Petersburg

The Russian Society of Appraisers (RSA) was host in the "NOVOTEL", the new-built Hotel in the city of St.Petersburg. Igor Artemenkov, 1<sup>st</sup> vice president of the RSA, addressed the participants. The topic of the conference was: "Current status of the valuation profession in Europe". There were round about 150 experts, 23 of them from abroad, from 10 foreign countries including Ukraine and Bulgaria. Veronica Maliguna (RSA) did a very good organisation arrangement. We saw the touristic highlights of this fantastic town. We came together in festive meetings. We heard about the development in Russia's legislation for property rights and for a new law about the valuation activities (Valuation Law), where it is a difficult question how to regulate the valuers' liability. Finland, Sweden, Germany, Estonia and Lithuania participated with lectures about the current status of valuation in their countries and one about liability insurance of valuers.

#### 2.1.15 2007 Helsinki

The Finnish Association for Authorised Real Estate Valuers was host in the Helsinki University of Technology (HUT) in Espoo. Kauko Viitanen and Tuomo Heinonen, addressed the participants. We were guests in the National Land Survey of Finland, we had an evening in the Ostrobothnia Restaurant near the Finnish Parliament. We did sightseeing by bus and held the conference at the Helsinki University of Technology in Espoo near the city of Helsinki. The topic of the conference was "Compulsary Purchase and Compensation". In cooperation with the FIG Commission 9 participants came from all over the world. More than hundred experts, 24 from Finland and the others from 36 different foreign countries including China, Australia and New Zealand. It was a perfect arrangement. It was a new kind of organizing the Baltic Valuation Conference. For all European participants it was a perfect new view on valuation, especially that they faced cases with inhabitants without a piece of paper about citizenship, lease contract or ownership, only the human rights. How is that to be valued? We heard about the townships round Nairobi and the sites in Beijing for the Olympic Games. In both cities more than a million people have to leave their homes due to public purposes.

#### 2.1.16 2008 Klaipeda

Now we are here in Klaipeda with Steponas Deveikis and the colleagues from the Lithuanian Association of Property Valuers LTVA.

## **REFERENCES**

## **BIOGRAPHICAL NOTES**

## **CONTACTS**

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