

Study

Asset Value and Construction Costs (Europe and USA)

HypZert Professional Group International

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Contents

Preface	5
1 France	7
1.1 Definition of asset value	7
1.2 Construction costs	8
1.3 Construction cost index	10
1.4 Incidental building costs/outdoor installations	12
1.5 Land values	12
1.6 Developers/project development	13
2 Great Britain (UK)	15
2.1 Definition of asset value	15
2.2 Construction costs	16
2.3 Cost parameters from “Insurable Value”	17
2.4 Land values	18
2.5 Developers/project development	19
3 Netherlands	21
3.1 Definition of asset value	21
3.2 Construction costs	21
3.3 Incidental building costs/outdoor installations	23
3.4 Land values	23
3.5 Developers/project development	24
3.6 VAT	25
4 Poland	26
4.1 Definition of asset value	26
4.2 Construction costs	27
4.3 Incidental building costs/outdoor installations	28

Contents

4.4	Land values _____	29
4.5	VAT _____	29
5	Spain _____	31
5.1	Definition of asset value _____	31
5.2	Construction costs _____	32
5.3	Incidental building costs/outdoor installations _____	34
5.4	Land values _____	35
5.5	Developers/project development _____	36
6	Switzerland _____	37
6.1	Definition of asset value _____	37
6.2	Construction costs _____	37
6.3	Incidental building costs/outdoor installations _____	39
6.4	Land values _____	39
6.5	Developers/project development _____	40
6.6	VAT _____	41
7	USA _____	43
7.1	Definition of asset value _____	43
7.2	Construction costs _____	44
7.3	Incidental building costs/outdoor installations _____	45
7.4	Land values _____	45
7.5	Developers/project development _____	45
7.6	VAT _____	46
	Reference sources and Internet links _____	47



Preface

HypZert sets standards – Germany’s leading company in the area of certification of real estate valuers for the financial sector.

A good basis is required when deciding to invest in or financing real estate. This can be provided by a competent and transparent real estate valuation carried out by highly qualified valuers who upskill on an ongoing basis.

HypZert GmbH guarantees this. HypZert is an entity established by the top associations in the German financial industry. Since 1996, it has been certifying real estate valuers in accordance with the sophisticated and internationally acknowledged criteria of ISO/IEC 17024. With these standards we ensure maximum comparability and transparency on the real estate markets.

Stringent demands are placed on all agents and engineers who wish to be certified by HypZert: A high education level, professional work, long-time work experience, consistent compliance with professional standards and financial proficiency. And they must pass a very challenging examination.

HypZert has now become an extensive network for real estate valuers at national and international level. Experts can exchange their knowledge on specific real estate valuation topics and discuss, consolidate and publish their expertise in HypZert expert groups.

In addition to the professional groups that have been established for years, Care Facilities, Retail, International, Hospitality and Restaurant Industry, Energy and Environment, Logistics, and Agriculture, the Industrial group was founded in 2012. The members of the respective professional groups have professional experience that has given them comprehensive expertise in the respective specialist areas. They make their results available to all HypZert valuers as well as interested third parties.

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Preface

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It was founded in early 2007 and has since carried out intensive work on problems and issues regarding valuation of real estate located in other countries. The following studies and literature have been published since the group was founded:

- “Einführung in die Bewertungsmethodik des DCF-Verfahrens” 2008 (Introduction to valuation methods of the DCF method)
- “Plausibilisierung externer Marktwertgutachten” 2011 (Review of external market valuations)
- “Zeitreihen für Renditen und Bonds” (Time series for yields and bonds), third edition since 2010, latest version 2013

This current study involved investigation of the following specific topics in selected countries:

- In which countries do similar methods of determining asset value exist as in Germany (value of the building and land value)?
- Are the respective asset value methods typical for the country?
- What data exists?
- Areas of application for the asset value
- What is the statutory or regulatory basis for calculation?
- When and for what reasons is asset value calculated?
- Is there sufficient information on development of construction costs, indices, data on construction costs in the respective countries?

The professional group looks forward to constructive dialogue with valuers and other interested readers. If you have suggestions, questions or comments, or you wish to contact us for any reason, please feel free to do so. You will find our contact details at www.hypzert.de or you are welcome to write to us at ausland@hypzert.de.

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