

# TOP5 recommendations you need to know about the status of your ownership rights

To optimally maintain your property value and to successfully sell the property on the real estate market, you need to arrange all property related documentation. Whereas those who have found their new property, and to protect themselves from possible complications in the future, need to explore all the information that is available on the property.

Baiba Kalnina, [Baltic Sotheby's International Realty](#) real estate management service representative, provides valuable recommendations, which you should know about the status of ownership rights.

## 1. Registration in the Land Register

Information about the property can be seen in the publicly accessible Land Register ([www.zemesgramata.lv](http://www.zemesgramata.lv)). The owners are issued the Land Certificate (in paper format), however, all the current information can be viewed in the state unified computerized Land Register, which is considered the central database, from which information on all properties entered in the Land Register in Latvia is disseminated. In the Land Register you can see both, who is the current owner of the property, if this property is encumbered, and other data. It gives an overall picture on the property and allows avoiding problems in the future as, for example, purchasing a different property than the initially planned from a dishonest property seller.

## 2. Encumbrances

One should definitely explore, whether and what kind of encumbrances are imposed on the property. By becoming acquainted with the property encumbrances in the Land Register compartment, you will be informed about them and will have a better insight on further use of your property, and whether these encumbrances will restrict your activities. The Land Register compartment of the property has four parts, in which information is recorded on: 1) the property, 2) the owner of the property,

3) encumbrances imposed on this property and 4) debts of the real estate.

The encumbrances imposed on the real estate can be seen in the parts 3 and 4 of the Land Register compartment. In the third part, rights in rem are recorded, where the most common rights are rental (lease) rights, whereas in the part 4 - the rights of pledge.

Widely observed encumbrances are a variety of utilities (water, gas, sewerage communications on the land, telecommunications encumbrances). One shall consider that, for example, the Law on Telecommunications protects these communications, and the owner cannot liquidate these connections only because they are interfering. Also, very common encumbrances are different servitude (road, water, etc.) encumbrances. A servitude is an encumbrance imposed on one property and serving for another property. It is recorded in the compartment of the Land Register and, if it serves in favour of someone, it is binding upon the owner and these obligations shall be fulfilled.

On the website [Latvija.lv](http://Latvija.lv) and in the Office of Citizenship and Migration Affairs, it is necessary to verify the records on the persons declared in the particular property. This information is necessary before acquiring the property, as not only unwanted tenants - natural persons, but also registered legal entities can cause concern to the new owner. A statement on the persons declared in the property can be received by the owner of the property, whereas the addresses of the legal entities can be found in the Enterprise Register of the Republic of Latvia.

If you want to buy a land plot, you also need to investigate so called possible future encumbrances that can be found in the Territory Development Plan of each municipality, which shows the intended use of this territory. This allows to verify, for example, that there is no planned industrial or commercial building at the place, where construction of private house is planned, or if there is no highway planned across your land plot, etc. Such information - a statement from the Construction Board - may be asked to provide from the seller of the property, or you

can get acquainted with the information available in the local governments.

### **3. Main property documentation: land border plan, cadastral survey (inventory) case**

In the cadastre system maintained by the State Land Service – the portal Kadastrs.lv the main data on real estate, land units, buildings (structures), groups of premises, parts of land units and their data, as well as owners, legal holders, users and tenants is registered and updated. By logging into this site and using the e-service "["My data in cadastre"](#)", you can find information about your property on portals [Latvija.lv](#) and [Epakalpojumi.lv](#). You can see both the original documents, the cadastral value of any property, and order information electronically. There will be building site schemes, actual land plans, and other information that must be checked, especially when you are buying a property. The most common problems encountered in practice are: non-existent structures that are no longer existing "in the nature" (they are demolished, but their status is not legalized) appear in the land boundary plan. There have been cases when buildings of another owner are located on the land plot of the owner, which are not fixed in the Land Register compartment, but are indicated in the cadastral system. Such buildings of another owner can cause heavy burden for the new owner.

The information in this cadastral system should definitely be checked and arranged, because people who are buying properties are becoming more aware and ask for correct, factual information, not to mention the banks that pay huge attention to this information when granting mortgage loans, and this information can be decisive when issuing a loan.

### **4. Compliance of the layout of buildings and structures and planning with the cadastral survey case**

Having acquainted oneself with the information found in the cadastral system, a discrepancy between the property "as is" and the status of the property that is fixed "on paper" is often stated. It is especially inherent to the properties of apartments and private houses that have undergone

various alterations and improvements, however, they have not been approved and registered afterwards. Therefore, this issue should be settled so that the "as is" situation is also recorded in the inventory file.

## **5. Commissioning of the property**

In this country it is a common problem that a great number of people live in a non-commissioned property. This is not about apartment buildings, but about transformed apartments and especially — private houses. This issue needs to be resolved in order to put all property documents in order. If the reconstruction of a property is being planned (or has already taken place), it must be taken into account that the development of a project is needed, then the construction itself (or conditional construction, if it has already taken place) should be carried out, which is followed by stock-taking and commissioning. Afterwards, all changes must be recorded in the cadastral system of the State Land Service and in the Land Register.

It should be noted that banks, when issuing a loan, may set certain deadlines for commissioning, but in case of failing to comply with them may impose sanctions.

"There was a saying in a classical Latvian movie: "We are fine.. My documents are in a good order". Why is it important to put the entire property documentation in order? First of all, for the owner to feel safe that everything with the property is all right. Actually, it is an improvement of property's liquidity, which in the future will make the sale of the property much more successful if such a need arises. Secondly, if the property is sold, the new owner will not have to deal with potential property-related problems, which are both time consuming and costly. The above five steps form a classical scheme that should be followed to make sure that everything is in order with the property documentation, but it should be taken into account that there can be a lot of nuances for each property individually, so it is advisable to consult a professional who knows the real estate domain and can help avoid different "underwater stones", says Baiba Kalnina, representative of Baltic Sotheby`s International Realty Real Estate Management Service.

Being aware that the study of property documentation is both time consuming and quite nuanced and in order to provide its customers with the expertise of their field professionals, Baltic Sotheby`s International Realty Real Estate Management service providers offer to take care of all the needs of the existing property documentation as well as explore and provide customers with all information about the property they intend to purchase.

If you need advice on the status of your property rights or the settlement of legal issues, we kindly ask you to write to [baiba.kalnina@balsir.com](mailto:baiba.kalnina@balsir.com) or call +371 29 259 025.

**Baltic Sotheby`s International Realty**  
**16.08.2018**