

REAL ESTATE



The Real Estate Department is one of the first structural units established at the outset of the restructuring of *Latvian Railway*. In 2001, the Real Estate Department celebrated the fifth anniversary of its activity.

The basic activity of the Real Estate Department includes:

- administration, management, identification, evaluation, registration, transfer and taking possession of real estate and the relevant land property;
- identification and management of engineering communications, drawing up and amending the relevant technical documentation;
- registration of real estate in the Land Register, leasing out real estate to the structural units of the railway company, as well as other physical and legal entities by signing leasing contracts;
- selling real estate units and organization of auctions;
- providing public utility, carpenter's and other services.

The Real Estate Department comprises four structural subdivisions: the building of Rīga Passenger Terminal and management units of Rīga, Daugavpils and Jelgava buildings and territories. More than 2.5 thousand buildings, structures and the relevant land in the whole territory of Latvia are managed by these units.

In 2001, the Real Estate Department took possession of 6 locomotive crews' recreation houses, followed, as a

result, by considerable increase in the amount of services provided by the Department.

89 buildings and structures with the total area of 65,322.18 m² and 645 other fixed assets were taken over in 2001 from other departments.

Ordinary repairs were performed in 91 units for the total amount of 445 thousand lats. 17 tenders were organised for the rights to carry out repair works with an estimate exceeding 5 thousand lats each.

Renovation of the building of Daugavpils operation unit was completed, the water-supply at Čiekurkalns station reconstructed and connected to the city water-main and the place for filling up fire trains established at Jelgava I station. Construction of a new station building was started at Indra station.

28,258.57 metres of engineering network, 359 wells and one water supply station owned by *Latvian Railway* were transferred to Rīga, Jelgava, Sigulda, Saulkrasti, Ogre, Rēzekne, Pļavinas, Dobeles and Gulbene towns and Ogresgals parish. A set of documents was prepared and submitted to the Ministry of Transport for the preparation of draft decree on the transfer of the ownership of engineering communications and office and technical buildings of *Latvian Railway* to 15 municipalities.

Conclusions on the optimisation of the operation of the boiler house owned by Rīga branch of the Wagon Repair Centre *Wagon Service* and the one leased out to the company *L-Ekspressis* Ltd. were drawn.

During the accounting period, the specialists of the Real Estate Department were involved in the development of the conceptual model for the optimisation of Ventspils railway junction heat supply, the activities of Rīga Council commission with regard to the planning of Rīga historical centre and those of the Engineering communications management coordination board.

In collaboration with other units of *Latvian Railway* and Ventspils municipal non-profit limited company *Udeka*, further identification of sewerage systems and dealing with issues in relation to the drainage and accounting of public sewage and rainwater in the territory of Ventspils railway station were carried out.

Collaboration with Estonian and Lithuanian railways continued in 2001. The Department specialists acquainted themselves with the neighbours' experience of real estate management which is useful for the development of the Real Estate Department reformation concept.

In 2001, the Real Estate Department proceeded with its work on more efficient and rational use of buildings and structures, as well as the land property under its management. This work was based on the leasing or selling of premises owned, but currently unused by

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Latvian Railway to legal and physical entities.

The Real Estate Department carries out regular analysis of the rent market situation resulting in lease agreements of unoccupied premises for the maximum price to the Railway. Thus the income from rent is stable.

21 real estate units were sold in 2001 for the total amount of 287,496 lats, which is 8 units or 36.1% more than in 2000. Most units sold are in poor technical condition with lower market value.

In 2001, the lessees continued to collaborate in repairs and reconstruction of the real estate owned by *Latvian Railway*. *Linstow Varner Ltd.* performed the stage I, II and III of the reconstruction of Rīga passenger terminal for the amount of 3,367,602 lats, *STRINKS Ltd.* – repairs at Zaslauks railway station for 46,757 lats and *Žaņa Lagzdiņa maizes fabrika Ltd.* – repairs at Zemitāna railway station for 25,143 lats. The Real Estate Department plans to go on with such practice in future.

