

REPORT ON THE STATE OF THE PROPERTY AT CARRER MERCADAL, 21 IN MARTORELL

1. Antecedents. Identification and acquisition of the property.

On 29 May 2008, in deeds before the notary of Barcelona, Mr. López Burniol, and under number 1730 of his protocol, the Josep Carreras Foundation accepted a legacy from Mr. José Albert Relats, in accordance with his wishes as expressed by him in his will before the notary of Terassa, Mr. Pérez-Sauquillo y Conde, on 15 January, 2004 under number 120 of his protocol.

These deeds were amended by means of new deeds before the notary of Barcelona, Mr. López Burniol, on 5 November 2009, under number 2068 of his protocol.

Amongst the estate inherited from Mr. Albert Relats was a property, the description of which is as follows :

“House consisting of ground floor and first floor located in Carrer del General Juan Bautista Sánchez, now Mercadal, number 21, with access also to Torrente de Rosanes, in Martorell; the property covers an area of 202 m². Bordering, in front, with said street, to the rear with Torrente de Rosanes; to the right, entering, with Magín Alemany y Vives; and to the left, with José Porta”.

Inscribed in the Property Register of Martorell, tome 858, book 48 of Martorell, folio 177, property 1741.

At the Land Registry, the description of the property is different, 473 m² being declared, and its rateable value being set at €30,054.35 euros at the moment of acquisition. Its taxable value, for the purposes of Property Transfer Tax, for the present financial year, is €229,748.80.

The legacy, when accepted, was valued at €200,000 in accordance with the taxation criteria at that time, but even then, the market value was much lower.

2. Possession of the property.

The property remained unused for five years and an attempt was made to sell it through a local estate agent, F & F Gestión Inmobiliaria. The attempt proved unsuccessful.

During the months prior to February 2013 the property was occupied by an unknown number of citizens of North African origin. The Foundation reported the fact officially to the Third Examining Court of Martorell on 7 March 2013, as preliminary proceedings 268/2013.

These proceedings led to the identification of one of the building's inhabitants as Mr. Kassam Belgharbi by the Mossos d'Esquadra (Catalan Police force), and he was required to declare as a defendant before the court at the beginning of 2014.

The continuous changes in the building's residents, together with the owner's lack of use of it, led the judge, at the request of the prosecution service, to shelve the case as a criminal offence.

3. Attempts to capitalise the building

Since the capitalisation of properties does not feature among the social aims of the Foundation, and given the property's rapid deterioration, a report was requested from the architectural damage assessor, Mr. Blanch i Bachs who, on 10 April 2015, issued his report after having carried out the actions detailed within the report, the most salient points of which are the following:

- It is very difficult to capitalise the property given its "physically depreciated" condition, and the fact that it has been occupied.
- Martorell Town Council has no interest in acquiring the building, neither for a symbolic price nor even if it were ceded at no cost at all. Furthermore, the Council will not cooperate with evicting the occupants unless they cause a breach of the peace.
- He recommends reaching an extrajudicial agreement with the occupants in order to proceed with the immediate demolition of the building so as to avoid future occupation. It should be pointed out that demolishing the building would have an estimated minimum cost of €27,850 plus approximately 13.5% in professional fees.
- He advises against entering a social rental agreement with the occupants due to the inherent costs this would have for the Foundation.
- He warns of the property's seriously deteriorated condition, which he describes as being in a "deficient physical condition".
- He sees no possible future for the building as a property development.

4. Expenses and risks posed by the property

The property generates a constant outlay in expenses for the Foundation, in detriment to the Foundation's real aims and activities, in terms of insurance, property taxes, legal expenses, architect's fees, etc.

Furthermore, the situation concerning the property, especially its "deficient physical condition", which has done nothing but deteriorate further since the report was compiled, creates a risk of damage to third parties, or even to the occupants themselves, which could generate civil responsibilities for the Foundation.

Special mention should be made of the fact that, according to the neighbour in Carrer Mercadal 23, who spoke personally to a Foundation lawyer, the building opposite, a block of flats of recent construction, has been completely occupied by various families from North Africa.

Attempts to capitalise the building have thus far proved unsuccessful. Local estate agents that have been contacted show no interest in it whatsoever and, as mentioned above Martorell Town Council declines even the free use of the building.

It is unfeasible to demolish the building given its very high cost. Furthermore, it would provide no benefit to the Foundation, and might even cause a breach of public order with the inhabitants, and there being no guarantee that Martorell Town Council would support the Foundation's cause since, until now, the Council has always supported the inhabitants.

CONCLUSION:

If the expense of demolition is to be avoided (as well as costs in terms of the Foundation's public image with regard to eviction, possibly preceded by conflict), as well as the cost of further, and continuous, procedures to evict the inhabitants, and the risks of harm that the buildings poor physical condition might cause to passers-by, neighbours or occupants, the only alternative is to try again to sell or cede the property to anyone who might be interested in it, no matter what the price, as long as that price covers the fees and expenses involved in the sale, and the activities of every kind carried out in order to achieve a sale. The main benefit for the Foundation would be savings with regard to the expenses and responsibilities deriving from ownership of the property.