

PANDEMIC SARS-COV-2 AND THE SALE OF REAL ESTATE – THE CASE OF THE CITY OF POZNAN

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Purpose: This article aims to assess the impact of the pandemic on the sale of real estate from the municipal real estate resource of the City of Poznan.

Design/methodology/approach: The implementation of the research goal was based on the assumption that the Sars-Cov-2 pandemic impacted the sale of real estate from the municipal real estate resource of the City of Poznan. In order to assess the analysed phenomenon, the analysis covered the sale of real estate, conducted in the form of a tender during the two years preceding the pandemic and the two years of the pandemic. The analyses were carried out using a list of tenders conducted by the City of Poznan in 2018-2021 and information on the state of the municipal property prepared during this period. The study considered statutory changes relating to the disposal process of municipal real estate. The assumed goal was implemented based on the classic review of the literature, supported by the analysis of legal acts and materials of the studied unit.

Findings: The pandemic resulted in significant changes in the sale of real estate from the municipal real estate stock of the City of Poznan. We can distinguish three characteristic periods, with the dynamics of change being the highest in the first year of the pandemic. We note the change in preferences of real estate market participants and the need to update the regulations on the sale of municipal real estate so that they take into account the opportunities for developing digital technologies.

Social implications: The article may influence public policy by drawing attention to the importance of adapting legal requirements to the current situation and strategic thinking in managing the communal real estate resource, considering future crises.

Originality/value: The article deals with the current and essential topic of the impact of the pandemic on the sale of real estate from the communal real estate resource, which is the research gap. The literature on the subject shows that this issue is analysed in the context of the commercial sector, while there are no analyses in relation to the municipal sector.

Keywords: sale of real estate, sale of land, real estate management, Sars-Cov-2 pandemic, commune, city, the budget of local government units, Poznan, new rules of work.

Category of the paper: research paper.

1. Introduction

The effects of the Sars-Cov-2 pandemic can be seen in almost every sector of the economy. They also influenced all real estate market participants, entrepreneurs, individuals, and public institutions. The quarantine effect and the implementation of the sanitary regime resulted in changes, among other things, in the way of selling real estate, which had to be done online (Białas, 2021). As the researcher notes (Białas, 2021), in the case of the commercial real estate market, most websites recorded a significant increase in online activity. Therefore, companies with an established e-commerce position could achieve a competitive advantage.

In the case of the public sector, we cannot speak of having any e-commerce position because the sale of municipal real estate takes place in a stationary form.

The decision to limit the functioning of enterprises, offices, and other public institutions meant that these units were forced to implement new rules of operation. For the local government units, this meant the necessity to develop mechanisms that would allow for the continuity of the office's operation.

Since the primary source of own income from the sale of real estate is the primary source of property income, securing the development of this area has become crucial from the point of view of minimizing the negative impact of the Sars-Cov-2 pandemic.

In the literature on the subject, this topic is analyzed more from the perspective of the commercial and residential real estate market (Koszel, 2020; Łaszka, 2021; Białas, 2021; Najbar, 2021; Cesarski, 2022; Gajowniczek, 2021; Koszel, Strączkowski, 2021) rather than the municipal resource. In the second case, the work focuses on the financial aspects of local government, including, *inter alia*, budget revenues from the sale of real estate (Swianiewicz, Łukomska, 2020; Łubina, 2021).

On the other hand, there are no studies on indications regarding the analysis of the impact of the pandemic on the sale of real estate as a form of managing the communal real estate resource.

There is, therefore, a research gap that this study covers. The above was a premise for undertaking research and allowed to define research questions:

1. How did the pandemic affect the sales results in individual segments of the real estate market and the organization of work in the unit?
2. How did the real estate market participants behave?
3. Can we isolate the factors shaping these changes?
4. What are the forecasts for the development of the real estate market in the coming years?

The primary purpose of the study was to determine the impact of the pandemic on the sale of real estate from the municipal real estate resource of the City of Poznan.

The article consists of three parts. The first discusses the problem of selling real estate to manage communal real estate resources. The second part presents the conditions for selling real estate during the pandemic in Poznan City Hall. The third focuses on assessing the impact of the pandemic on the sale of municipal real estate and identifying sales trends in the coming years. The whole of this study has been completed with a summary and conclusions.

From the point of view of the aim of the study, it was assumed that the analysis would cover the sale of real estate conducted by tender during the two years preceding the pandemic and during its duration. The analyses were carried out using a list of tenders conducted by the City of Poznan in 2018-2021 and information on the state of the municipal property prepared during this period. The study also considered statutory changes relating to the disposal process of municipal real estate.

In addition, during the research, research tools were used, such as the analysis of the literature on the subject, legal acts, statistical data, and materials of the studied unit.

2. Sale of real estate as a form of communal real estate management

The concept of managing real estate belonging to a communal real estate resource does not have a statutory definition. However, in the literature on the subject, attempts are made to define it. Examples include the definitions proposed by the authors of the commentaries on the Real Estate Management Act. According to G. Bieniek, "real estate management is all factual and legal activities that make up the management, administration and handling of real estate" (Bieniek et al., 2013). In turn, E. Bończak-Kucharczyk points out that "real estate management is the entire process of exchange of goods and services" (Bończak-Kucharczyk, 2020).

In art. 25 act. 2 (Ustawa o Gospodarce Nieruchomościami, 1997) lists examples of factual and legal actions falling within this concept. In terms of these activities, it was indicated, inter alia, the sale, and purchase of real estate constitute the resource. On this basis, it can be indicated that the concept of "real estate management" is associated with making decisions on the use of assets, which are real estate. Decisions falling within this scope are made by the head of the commune, mayor, or city president independently but within limits specified by law. As indicated by the Constitutional Tribunal, the exercise of ownership rights by a commune concerning communal property cannot achieve commercial goals but is intended to carry out public tasks (Ustawa o Gospodarce Nieruchomościami, 1997).

A natural manifestation of real estate management is deciding which real estate from the commune's resources will not be used to carry out the commune's tasks and may be disposed of. The provision of art. 4 points 3b (Ustawa o Gospodarce Nieruchomościami, 1997) defines the concept of "sale of real estate" as performing legal acts on the basis of which the ownership of real estate is transferred, or the right of perpetual usufruct of land is transferred, or it is put

into perpetual usufruct. Thus, selling real estate may take place through many legal actions, for example, sale, exchange, or donation. The sale is the best-known and most common form of disposal in everyday life. By the contract of sale, the seller undertakes to transfer ownership of the goods to the buyer and hand them over to him, and the buyer undertakes to collect the goods and pay the seller the price (Art. 534, §1) (Kodeks Cywilny, 2022).

The sale of real estate by local government units as one of the forms of management that leads to the depletion of the commune's property in material terms is subject to detailed regulations, which have been defined in the Real Estate Management Act.

First of all, the act as mentioned above contains an obligation to prepare a list of real estate intended for sale, which is to contain a set of the most important, exhaustively indicated information about the real estate (Art. 35) (Ustawa o Gospodarce Nieruchomościami, 1997). The regulations in question reflect the commonly accepted view that the principle of openness of proceedings must be respected when managing public property. Violation of this rule may result in the invalidity of the contract (Bieniek, 2000). Placing a real estate on the list of real estate intended for sale made public is tantamount to a declaration of intent to sell it. This entails several legal consequences, for example, within the scope granted to specific entities of the right of priority in acquisition. The local authorities with the above-mentioned duties are the commune head, mayor, or city president.

Real estate belonging to the commune real estate stock may be sold in a tender procedure or through a non-tender procedure. The rule is the sale of real estate by tender, and the sale without a tender is treated as an exception to the rule, which may apply in strictly defined situations (Wyrok NSA, 2010).

The tender is organized on the principles set out in the Real Estate Management Act. It is announced, organized, and carried out by the competent authority, which is the commune head, mayor, or city president in the case of a commune. Before the tender is announced, it is the responsibility of the executive branch of the commune to consider and execute justified claims for the purchase of the real estate, disregarding the tendering procedure.

The invitation to tender must contain, in addition to the data in the list of real estate for sale, information specifying the time, place, and terms of the tender. In the event of announcing another tender or negotiations, it must contain the dates of the previous tenders. The tender notice must be made public.

The announced tender may be cancelled only for "important reasons", and this information should be immediately disclosed to the public, including the reasons for the cancellation.

The legislator indicated four forms of tenders: limited oral tender, open oral tender, limited written tender, and open written tender, assigning them different goals. The purpose of the oral tender is to obtain the highest price, while the purpose of the written tender is to select the best offer. Any entity that pays the bid security may participate in the open tender. The legislator also allows the possibility of organizing a limited tender "if the tender conditions can be met only by a limited number of people".

The procedure for selling real estate from the commune's resources is specified at the executive level (Rozporządzenie Rady Ministrów, 2021). Under the provisions of the legal act in question, the activities related to the conduct of the tender are carried out by the tender committee appointed by the competent authority.

It should be added that, under §1, point 1 (Rozporządzenie Rady Ministrów, 2020), the provisions on the manner and procedure of conducting tenders were supplemented with solutions applicable during the period of a pandemic or pandemic threat, announced based on (Ustawa o Zapobieganiu Oraz Zwalczeniu Zakażeń i Chorób Zakaźnych u Ludzi, 2008). They provide the rules for conducting tenders using electronic communication means that ensure:

- 1) real-time transmission of the tender between tender participants and members of the tender committee,
- 2) multilateral communication in real-time, under which the tender participants and the members of the tender committee may participate with the confidentiality, integrity, and availability of the information provided, as well as the possibility of identifying tender participants and members of the tender committee.

When conducting a tender in this manner, the competent authority shall indicate that in communication with the tenderers, electronic means of communication are used, the technical characteristics of which are non-discriminatory, generally available, and interoperable with products for electronic storage, processing, and transmission of data in everyday use.

The above provisions are new in the sale of real estate, and there are no decisions or scientific publications in this regard.

Activities related to the management of real estate belonging to the commune's resources, particularly their sale, are time-consuming and complicated. The procedure in this regard has been regulated in detail by the provisions of the above-mentioned legal acts, which entered into force at the end of the 1990s and in the first decade of the 21st century.

3. Conditions for the sale of real estate during the pandemic in the Poznan City Hall

The real estate sale process is carried out according to the rules (Ustawa o Gospodarce Nieruchomościami, 1997). Over the years, this act has been subject to changes, although no significant amendments have been made. Also, the administrative regulation issued to this act, regulating the rules and procedure for conducting tenders until October 2020, did not introduce any significant changes to this procedure. Therefore, the basic assumptions of the sales procedure have not changed for many years. Only organizational issues, such as the way of communication with potential buyers, were improved. Only the outbreak of the pandemic and

the introduction of the sanitary regime significantly influenced the organization of the process of selling municipal properties. To prevent the suspension of sales, guidelines for the conducting and organization of sanitary tenders have been developed. They included recommendations of conduct for tender participants and members of tender committees.

The recommendations of the City of Poznan regarding safety rules during tenders were only recommendations. The adopted formula was the only one that could be applied in light of the applicable legal regulations, as they do not provide, for example, a limit as to the number of people participating in the tender as a representation of one entity. Therefore, any solutions imposing restrictions in this respect could be considered illegal, particularly with the principle of openness established in the regulation on the principles of organizing tenders.

At the same time, recommendations were developed for the employees of the Poznan City Hall regarding the conduct of tenders, and new rules of work resulting from the introduction of the pandemic were defined.

The process of presenting the tender offer to potential investors has also changed. The fair events at which the city's investment offer was presented were cancelled, and the direct meeting was limited. Therefore, all marketing activities took a remote form. Tender offers were sent to investors in electronic form, and face-to-face meetings were replaced by videoconferences.

The behavior of market participants has changed significantly since the introduction of the restrictions in connection with the COVID-19 pandemic. Numerous restrictions, often introduced at the last minute, resulted in a limited or lack of interpersonal contacts. In October 2020, *inter alia* introduced the possibility of conducting tenders during a pandemic emergency or pandemic using electronic communication, provided that: (1) real-time transmission of the tender between tender participants and members of the tender committee; (2) real-time multilateral communication.

Notably, electronic communication must have technical properties ensuring confidentiality, integrity, and availability of the information provided, as well as the ability to identify tender participants and members of the tender committee. In addition, they must have non-discriminatory, generally available, and interoperable technical characteristics. While working on the assumptions of such a system, the risks that should be considered and eliminated were identified. It should be emphasized that the occurrence of one of these risks could result in the cancellation of the tender procedure. In such a situation, the tendering procedure would have to be repeated.

Due to the pandemic, the place of organizing tenders has also changed. It was decided that they should take place in one of the largest rooms in the city hall.

It is worth emphasizing that the tender participants showed great understanding for the recommendation of the President of the City of Poznan. Despite the lack of a prescriptive form, the principle of one-person representation has been adopted. Compliance with the rules of conduct by both officials and clients allows for the organization of traditional tenders as the

most transparent form of sale, guaranteeing the procedure's openness and uniformity and ensuring equal access to participation in the tender and obtaining the best price. It can also be indicated that the office employees and investors have adapted to the new conditions without significant difficulties.

4. Analysis of trends in the real estate market in the City of Poznan in 2018-2021

The sale of real estate without a tender requires the implementation of only some activities from the catalogue of activities necessary to be performed under the tender procedure. In addition, the sale of communal real estate in a non-tender procedure takes place only in exceptional situations specified by law. In Poznan, this generally applies to the so-called building masks, i.e., areas that cannot constitute an independent investment field but improve the use of the neighbouring property. The revenues to the city budget from selling this type of real estate are lower than those obtained from the tender sale.

From the point of view of the purpose of this research, it was decided to analyse the tenders regarding the sale of municipal real estate. They indicate the impact of the pandemic on the sale of real estate from the commune's resources.

The real estate offered for sale in Poznan has been divided into four categories:

1. real estate intended for single-family housing development,
2. real estate intended for multi-family housing,
3. real estate intended for service development,
4. real estate intended for economic activation.

Each property was classified to one of these groups on the basis of the provisions of the local spatial development plan or the function specified in the study of the conditions and directions of the spatial development of the city of Poznan. These documents define the purpose and method of using a given property. Properties for other purposes have not been analysed, as their sale takes place incidentally - in the analysed period, it was only one property.

Sales analyses for the two years of the pandemic (2020-2021) were compared to the two years preceding the pandemic (2018-2019). The analyses were carried out in annual time intervals, considering: (1) unit offer price and obtained price; (2) the area of real estate offered and sold.

Moreover, it was assumed that the unit price of the real estate is the starting price in a successfully concluded tender. The size of the area of real estate put up for sale in the years covered by the study does not refer to the proportion of the number of investment fields sold during this period. Investment fields may have different surfaces. It was assumed that the area of the real estate would be more reliable in determining the size of the disposed areas than the number of fields or investment plots.

4.1. Properties intended for single-family and multi-family housing development

It can be seen that stable prices characterized the period preceding the pandemic in the real estate market for single-family housing. The difference between the starting price and the price obtained in the tender remained stable, ranging from PLN 65 to PLN 82/m² and was more favorable for the auctioned price. Since the middle of the first year of the pandemic, there has been an increased demand for plots of land for the construction of single-family houses. Due to the limited number of these types of offers, the difference between the starting price and the price achieved in the tender was noticeable. In 2020, it amounted to PLN 99/m²; in 2021, it reached a record value of PLN 350/m². The average price obtained as a result of the tender was PLN 921/m² (Fig. 1).

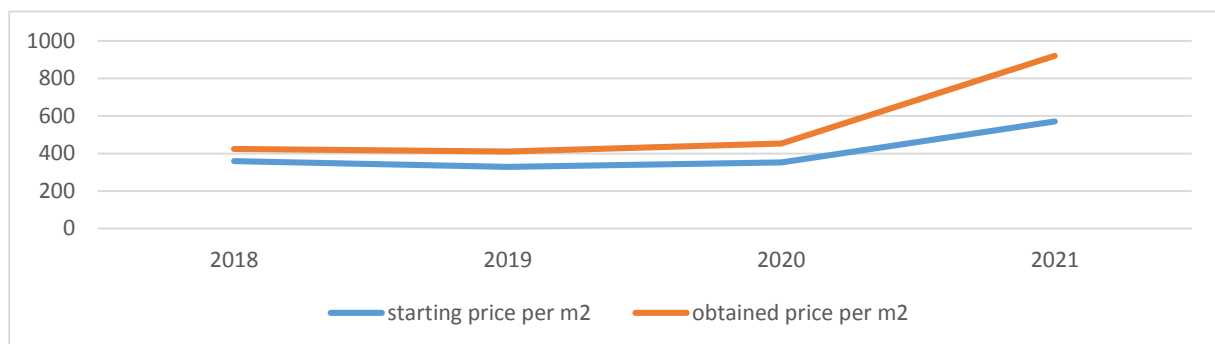


Figure 1. Prices of land intended for single-family housing sold by the City of Poznan in the form of tenders in 2018-2021.

Source: own study based on (*Komunikaty Urzędu Miasta Poznania. Oferty, 2022*), (*Komunikaty Urzędu Miasta Poznania. Wyniki, 2022*).

We notice an increase in the number of plots for single-family housing, which resulted from the economic situation in the country and the city of Poznan. This resulted in increased customer activity and the city's preparation of a more comprehensive sales offer. Due to the high complexity of legal conditions and the time-consuming nature of the sales procedure, the offer was not presented until 2019 (Fig. 2).

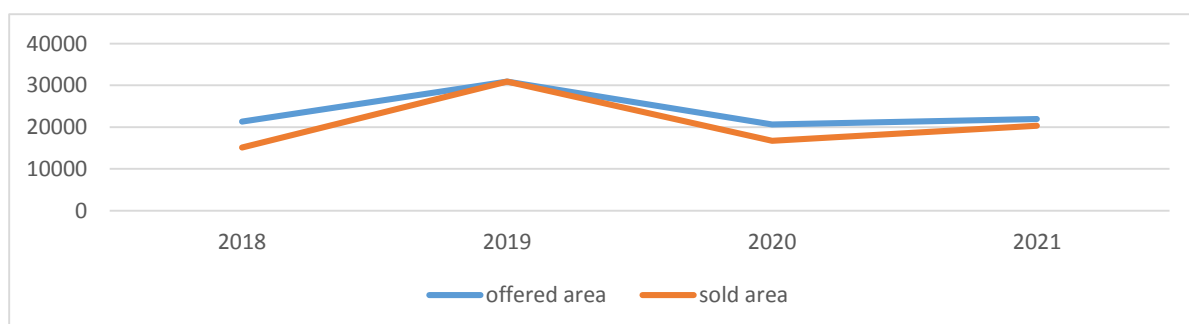


Figure 2. Area of land intended for single-family housing, sold by the City of Poznan as tenders in 2018-2021.

Source: own study based on (*Komunikaty Urzędu Miasta Poznania. Oferty, 2022*), (*Komunikaty Urzędu Miasta Poznania. Wyniki, 2022*).

As a result of the pandemic, the situation changed, and in 2020 the area of land offered and sold was lower. This resulted, inter alia, from the increased absenteeism of employees and the preparation of recommendations for conducting tenders under the conditions of a more stringent sanitary regime. This resulted in delays in the bidding process, and the consequences of this situation were still noticeable in 2021.

However, the behavior of potential buyers in this period was characterized by caution in purchasing decisions. The city's real estate offered for sale did not always find buyers in the first auctions, and this situation changed in 2021, and all the land unsold in 2020 found its buyers. There was also a noticeable increase in the space sold and offered for sale.

Another feature that distinguished people buying real estate preferences during the pandemic was the increased interest in purchasing single-family houses or land for this type of development. This resulted in a change in the situation in the real estate market for multi-family housing. The city's land offer has changed over the past four years regarding the land area and the number of plots, while the pandemic has lengthened the response time to market demand. The price of land for multi-family housing, offered mainly to developers, has also changed, although its highest level was recorded in 2020 (Fig. 3).

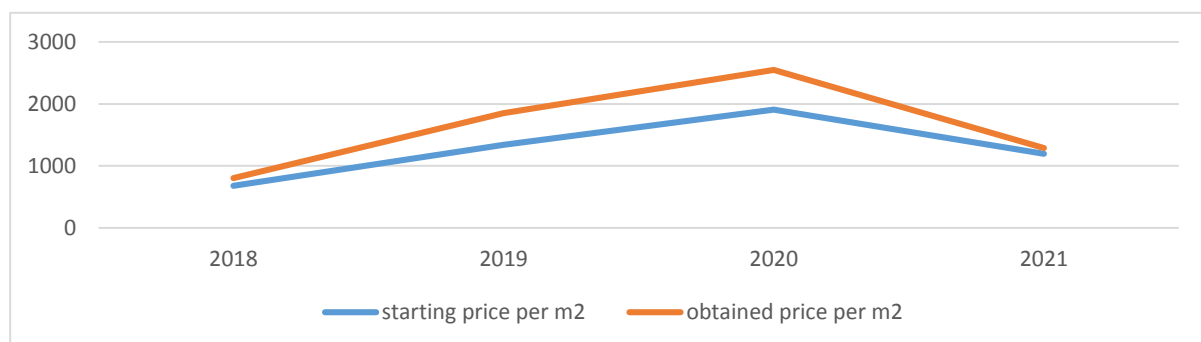


Figure 3. Prices of land intended for multi-family housing sold by the City of Poznan in the form of tenders in 2018-2021.

Source: own study based on (*Komunikaty Urzędu Miasta Poznania. Oferty, 2022*), (*Komunikaty Urzędu Miasta Poznania. Wyniki, 2022*).

In the first two years of the analysed period, there was an increase in the unit value of land, with a simultaneous deepening of the difference between the starting price and the price achieved in tenders. In 2018, this difference was PLN 125/m², in the next year already PLN 509/m², while in 2020, it reached a record value of PLN 642/m² of land. This was mainly due to the high demand for housing, easy availability of loans, an increase in salaries, an increase in average rental rates, a high rate of return on investment concerning the return on bonds, and a record low unemployment rate, which in the case of Poznan was only 1.2 % (Baldowska et al., 2019).

It is worth noting that in the first year of the pandemic, only two tenders were positively resolved, one in mid-January (before the outbreak of the pandemic) and the other in November. The remaining announced tenders ended with a negative result due to the lack of participants.

They were decided only in 2022, and the obtained price (PLN 77,500,000) was 155% higher than the starting price. It is worth emphasizing that despite the unresolved all tenders in 2020, record values were still achieved. Only two tenders were successfully concluded in the first year of the pandemic. One in mid-January (before the pandemic started) and one in November. The rest ended with a negative result due to the lack of participants. The decision was not made until 2022, and the obtained price (PLN 77,500,000) was 155% higher than the starting price.

On the other hand, 2021 was characterized by a decrease in the average offer and transaction prices and a decrease in the difference between these prices. The difference was PLN 94 per m² in favor of the transaction price. The above results from the uncertainty that increased in the housing market in 2020. As a result, it led to a situation where the year-round sale of apartments did not reach the level of previous years (Łaszka, 2021). This period was characterized by an increased interest in plots for single-family housing.

The analysis of land for multi-family housing in terms of the area of municipal properties offered for sale in Poznan in 2018-2021 shows a downward trend (Fig. 4). This was due to the size of the plots sold, not the number of investment fields; therefore, the analysis should be presented based on the number of plots intended for sale.

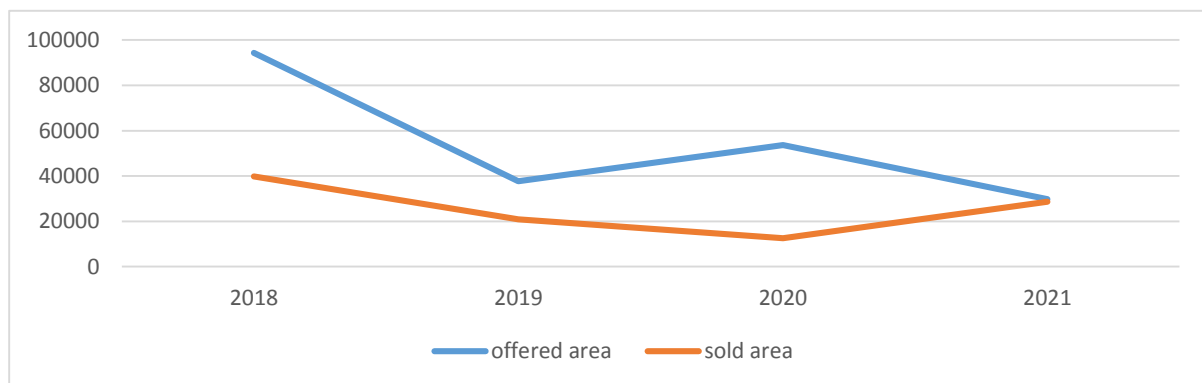


Figure 4. The area of land intended for multi-family housing, sold by the City of Poznan in the form of tenders in 2018-2021.

Source: own study based on (*Komunikaty Urzędu Miasta Poznania. Oferty, 2022*), (*Komunikaty Urzędu Miasta Poznania. Wyniki, 2022*).

In 2018 and 2019, we noticed an increase in the number of plots offered and sold by the City of Poznan. It was 6 exhibited and 5 sold, and 13 exhibited and 8 sold, respectively. In turn, in 2020, a decrease in the number of plots ready for sale is noticeable (4 plots put up for sale, 2 plots sold). This was due to labor and market conditions during the pandemic: on the one hand, limitations, and pandemic conditions (remote work, availability of employees, cancellation of tenders due to the introduced restrictions), and on the other hand, the noticeable restraint in investment by entrepreneurs. This effect was short-lived, as, in 2021, the number of plots offered for sale was the highest in the analysed period (11 plots put up, all sold).

4.2. Real estate intended for service development and economic activation

The analysis of the results of tenders for real estate intended for service development shows that the value of starting prices in 2018-2019 was similar, and the difference between the prices was relatively small and amounted to PLN 76/m². After a significant drop in prices in 2020, there was a sharp increase, reaching a record value of PLN 1,919/m² (Fig. 5).

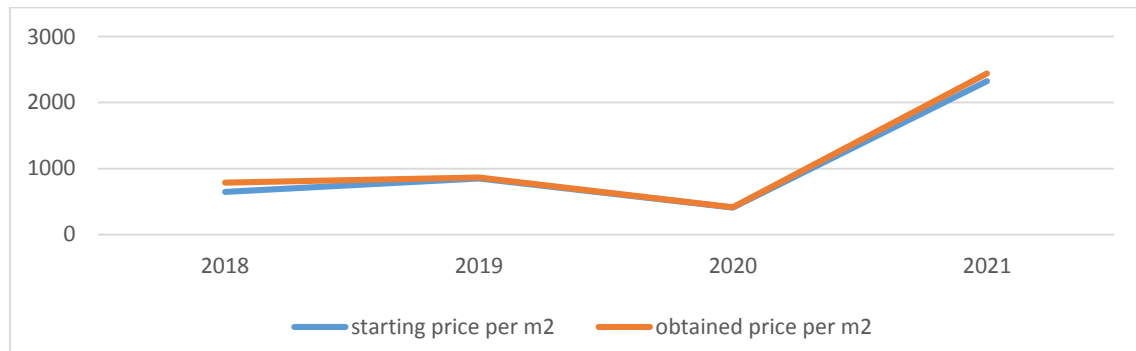


Figure 5. Prices of land intended for service development sold by the City of Poznan in the form of tenders in 2018-2021.

Source: own study based on (*Komunikaty Urzędu Miasta Poznania. Oferty, 2022*), (*Komunikaty Urzędu Miasta Poznania. Wyniki, 2022*).

The pandemic outbreak conditioned the above decline in transaction prices in 2020. Notably, the first tenders were successfully concluded only in June, after reducing sanitary restrictions. It should also be noted that the settled tenders were organized three times, and the starting price was reduced twice. The above indicates a very cautious approach of investors to purchasing this type of real estate and a change in the form of employment. However, as shown by the results achieved in 2021, this situation was temporary, and investors have noticed that a complete transition to remote work is not yet possible or not entirely acceptable to enterprises. On the other hand, the emerging model of a hybrid form of work encourages investors to continue investing. It should also be emphasized that the results of 2021 were most influenced by the sale of real estate located in an attractive part of the city, where the so-called urban dominant, i.e., a building up to 50 m high.

In the case of the area of land intended for service development, we notice a systematic increase in the amount of land prepared for sale in 2018-2020 (Fig. 6). It resulted from the provisions of the adopted local spatial development plans, in which large areas of land were designated for service functions. In order to maintain the proper diversification of plots in terms of their destination intended use, the real estate package dedicated to services has been divided into several years.

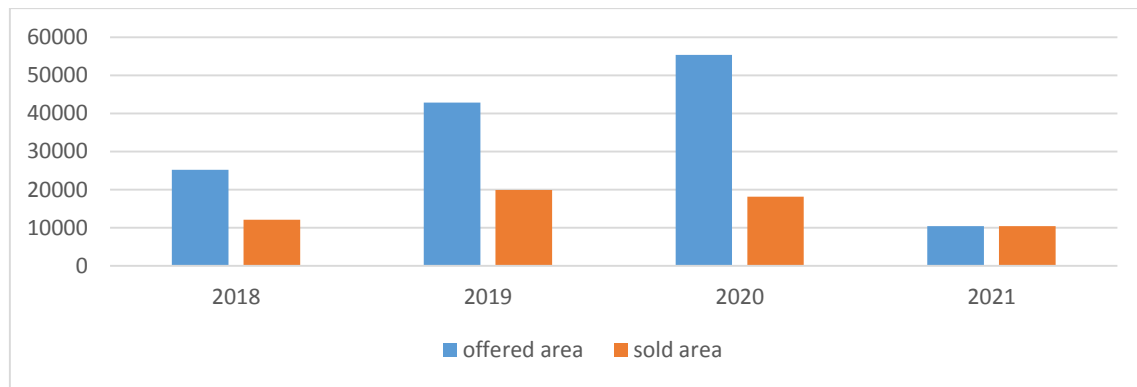


Figure 6. The area of land intended for service development was sold by the City of Poznan as tenders in 2018-2021.

Source: own study based on (*Komunikaty Urzędu Miasta Poznania. Oferty, 2022*), (*Komunikaty Urzędu Miasta Poznania. Wyniki, 2022*).

It should also be added that the above activities also covered the year 2021, where a relatively small area was put up for sale, while its investment potential was the largest among the areas put up in the analysed period. Therefore, the year 2021 in the service real estate sector was characterized by a small area but the highest price in sales. This does not mean, however, that the impact of the pandemic was not discernible in the behavior of potential buyers. As mentioned above, February 2020 was a month in which no transaction was made. The above circumstance did not occur in any of the analysed years. An example of the impact of the pandemic on the real estate market is the designation in December 2020 of an attractive area for services with an approved location of the dominant. As the works on the local spatial development plan lasted several months and began even before the pandemic, there was noticeable interest in its acquisition by investors. As the pandemic unfolded, this interest waned, and investors signalled the suspension of new spending. As a result, the plot did not find a buyer after adopting the local spatial development plan and putting it up for sale. The main reason was investors' concern about the decline in demand for office space caused by remote work.

The current situation with land intended for economic activation understood as a service function with a warehouse or production profile is entirely different. Due to the lack of interest from investors, real estate of this type was not put up for tenders in 2018-2019. In 2020, the situation changed. The introduced sanitary regime and the fear of contamination resulted in a change in the shopping preferences of customers who shopped online to a greater extent. This increased the demand for warehouse space. This situation prompted the city of Poznan to sell real estate, which was not planned for sale due to the lack of interest from investors. As a result of this decision, five tenders were organized, during which all properties found buyers, and the amount from the sale exceeded the starting price.

Analysing properties prepared for sale and properties sold in 2018-2021 in each of the sectors mentioned above, we can see the impact of the pandemic. Both are the number of completed tenders (Fig. 7) and the value of sales obtained. The most significant impact was recorded in the group of real estate intended for service development.

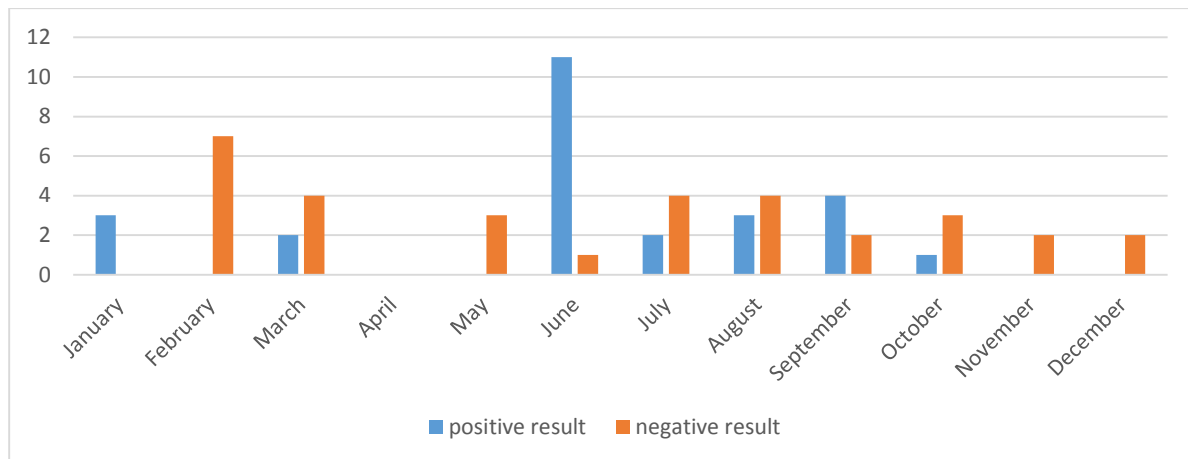


Figure 7. The structure of the tenders completed in 2020.

Source: own study based on (*Komunikaty Urzędu Miasta Poznania. Oferty, 2022*), (*Komunikaty Urzędu Miasta Poznania. Wyniki, 2022*).

Changes in the structure of real estate sales resulted, on the one hand, from external conditions, and on the other hand, from the need to implement internal changes. This was due to the conditions and organization of work of city hall employees, which were caused by the obligation to maintain the sanitary regime as well as the absenteeism of employees.

In addition, changes in the demand for real estate necessitate the modification of the real estate offer for single-family and multi-family housing for sale in the coming years. The shortage of flats combined with the demand for more extensive flats will result in further growth dynamics, and it is assumed that the upward trend in the years 2022-2023 should not change. The change in value, however, will be less dynamic than the increase that took place at the turn of 2020/2021. This assessment is based on taking into account three factors that may play a key role in the coming years: (1) the tightening of banks' lending policy; (2) increases in interest rates; (3) the crisis caused by the war in Ukraine.

It should be emphasized that this situation raises concerns related to the possibility of obtaining income from selling this type of real estate. Moreover, according to the statutory requirement, in the first auctions, the starting prices must be set at a level not lower than the value indicated in the survey. The basis for determining the value in this document is the average price calculated from the most recent transaction prices of similar properties. It may result in the fact that in the first auctions, the city will put up real estate for sale at prices higher than market transactions carried out on the date of the organized auction. For this reason, there is a risk that the first auctions organized for the sale of real estate may end with a negative result. Thus, it will be possible to obtain income from sales after adjusting the price in subsequent tenders, where the legislator has allowed the possibility of setting the price at a lower level.

In turn, the forecast for the development of the real estate sector intended for service development is burdened with a high risk. However, it should be assessed that the change of the work mode from stationary to remote or hybrid will permanently fit into the post-pandemic reality of enterprises.

Another factor that may cause a problem with selling real estate for new office investments is the number of commenced investments in this profile in Poznan. For example, only one of the investments planned for delivery in 2023 has 40,000 m² of usable space. Additionally, investments transferred from Ukraine (such as the Allegro group) are an opportunity for the Poznan office sector. We also note that investors declare their interest in the market sector but are holding back with new investment purchases. However, in the case of real estate intended for warehouse space, a further price increase is forecast, resulting from the development of the e-commerce sector.

When assessing the impact of the pandemic on the process of selling municipal real estate, mention should be made of the amendment to the regulation on the organization of tenders. Until now, the regulations required the personal appearance of tender participants. The change that came into force was introduced, among others, by the possibility of holding tenders during a pandemic emergency or pandemic using electronic communication.

However, the introduced rules were defined succinctly and without specifying the tool for carrying them out. The most important risks resulting from the execution of tenders by remote mode are related to: (1) identification of data and documents of tender participants; (2) the possibility of appealing against tenders in the event of technical difficulties related to, for example, interruption of the connection; (3) allegations of discrimination against participants due to the lack of appropriate hardware or software, as well as the inability to operate them. It is worth emphasizing that reducing the first risk is possible through integrating the communal ICT system with the National Electronic Identification Node (*Budowa Krajowego Węzła Identyfikacji Elektronicznej*, 2022), enabling the use of a trusted profile.

5. Summary

The analysis of the results shows that the beginning of 2020 was characterized by a dynamic of changes that resulted in the property sale process in 2021. These changes were most visible in the first year of the pandemic. In addition, we can distinguish characteristic periods in individual years.

In the first period, which lasted from March to May 2020, the vast majority of tenders ended with a negative result due to the lack of participants or cancellation of tenders. This situation did not occur in the other years covered by the survey. The outbreak of the pandemic limited the activity of all market participants.

The second period, lasting from June to September 2020, was characterized by a reduction in restrictions, which stimulated the activation of market participants, although based on our analyses, their caution was still visible.

On the other hand, the third period, from October to December 2020, is the re-tightening of sanitary regulations. This period, like the first, was characterized by the limited activity of market participants and tenders, resulting in a negative outcome. However, the implementation of operating procedures under the conditions of the sanitary regime meant that tenders did not have to be cancelled.

On the other hand, in 2021, the first period, lasting from the beginning of the year to mid-March, is characterized by a negative outcome of most tenders, resulting from the lack of participants. Notably, tenders for pandemic reasons were not cancelled, although considerable caution was still in spending funds on new investments.

The second period of the pandemic is visible in real estate sales results from the second half of March to the end of December. It is a gradual departure from the previously introduced restrictions, increasing the activity of market participants. During this period, most tenders were awarded a positive result.

Moreover, the pandemic significantly changed the prevention of real estate market participants. In the analysed years, we can identify:

- increase in demand and prices of land for single-family housing,
- an increase in the price of land in the segment of real estate intended for economic activation, on which it was possible to create warehouse facilities,
- an increase in the sale of real estate intended for multi-family housing was recorded only in the second year of the pandemic,
- the decline in sales in the service real estate sector,
- an increase in the prices of real estate intended for service purposes in 2021,
- changing the living and working conditions of all participants in the real estate market,
- the need to adapt the way and conditions of work to the sanitary regime,
- development of new work standards by the office, along with the use of IT tools,
- the need for further development of modern ICT technologies in public administration,
- implementation of legal provisions allowing for the organization of tenders for the sale of real estate remotely. However, their laconic character indicates the need for their clarification,
- the need for changes in the regulations on the sale of communal real estate so that they consider the possibilities of developing digital technology. The current legal regulations were prepared at the turn of the 20th / 21st century, and all changes were cosmetic,
- construction of the National Node of Electronic Identification.

The conducted research clearly shows that the pandemic had a significant impact on the sale of real estate. It now seems that the current geopolitical situation caused by the war in Ukraine may have a more significant impact on the market for the sale of municipal real estate in the coming years. Undoubtedly, this requires further research and continuous monitoring of the situation.

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