

Green Savings = red light for property developers

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The programme has other drawbacks, too, which should be remedied “as the programme unfolds”, according to Tomáš Poledník, of the Fund. Otherwise we could see a paradox: the state would have no one to give the billions to. Excluding property developers from the group of potential applicants increases this risk even more. Of course: those who give can choose who to give to. However, there is a lingering feeling that the euphoria incited by the obtained billions (when will our indebted state manage to distribute money again) led to a rather hasty setting of parameters, according to which some are to be included in the programme and some excluded.

Property developers out

The very first condition is a huge “stop sign” for the developers. The subsidy is intended for owners of family and apartment houses of non-prefabricated technology. This excludes property developers from the Green Savings programme almost automatically since they are not the end users. The subsidy recipient has to undertake to use the building for 15 years. A property development firm can hardly guarantee this - although it is listed as the owner in the Land Register, and therefore could theoretically take advantage of the subsidy, the owner changes immediately after completion. And although the Fund “knows” the concept of change of owner (if the subsidy recipient - natural person - decides to sell the house, the new owner has to undertake to use the environmentally-friendly technology into which the original owner invested, using the subsidy), but Poledník had to acknowledge that in case of property developers, this issue has not been solved. And a seminar organized by Envi A., attended also by the Fund’s representatives, showed that nobody had even thought about at the stage of drafting of the conditions. The subsidy is paid after the occupancy procedure - at that time, the property developer is not the owner (ideally) of a single flat. However, it was him who invested in the environmentally-friendly technology during the construction. It looks, however, that if the subsidy conditions are applied strictly, the subsidy should go to the end user, i.e. the person that purchased the flat from the property developer (and undertook to use the environmentally-friendly technology for the next 15 years); even though the user did not invest in it. Theoretically, the price of the flat or house could be increased by 50% of the costs spent on this technology (the subsidy contributes 50% of the “environmental” costs) and the end user would obtain these 50% back when the subsidy is released. However, the investor - property developer - would have to charge the client with the full amount of such additional costs.

Who gets the subsidy?

And there are other problems. For example: if a property developer decides to build a passive apartment house or family houses, who should apply for the subsidy? The developer, who will not manage to complete the project by December 2012, which is so far the deadline for the payment of the subsidy, or the future tenant, who does not have the flat yet? The question is: how should the property developer proceed to be able to build a passive apartment house and to be eligible for the subsidy? The Fund currently has no answer. But it promised, through Tomáš Poledník, to deal with these comments. Poledník added: “The programme will be probably softened, changes are already underway.”

Other questions were raised by Alena Horáková, of the international company Arcadis. Horáková pointed at the issue of the so-called eligible costs. According to her, the costs of thermal insulation of the external shell are defined well in the programme - wall insulation and window replacement. But what about the eligible costs of thermal insulation of floors, which is a very expensive matter? Or roof insulation - are the costs eligible? Dismounting? New covering? It is not the only ambiguity. Based on experience from other

projects, for example, the costs of acquisition of scaffoldings could be eligible, but not the costs of occupation of the pavement where the scaffoldings are erected.

According to Alena Horáková, there are many question marks like that in the Green Savings programme, plus one almost default error. The author of the programme defined the “excluded” prefabricated houses as standardized houses - however, this type of residential houses constitutes 90% of all post-war residential construction activities, yet they are not all prefabricated houses.

Need for change is obvious

The seminar showed that the Fund should allow property developers to participate in the Green Savings programme, including also the construction of administration and manufacturing buildings that constitute a significant portion of their activities (and are huge energy consumers), without excluding other forms of housing. It seems that there is enough money and there is no reason to limit environmental protection to some people only and to exclude builders, who have a principal share in the overall construction activities.

There is even the danger that if the programme fails to spread and is not clarified, there will be no one to use the generous 25 billion crowns. It is alarming that so far, the number of submitted applications can be counted using only one hand, while the number of questions and requests for

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