

# World of real estate: it is not and will not be easy



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“Difficulty“ of the coming period signalled the contributions of the first block of conference mainly devoted to tax issues. “They bring rather negative changes!“ - this is show Petr Tušakovský from Deloitte Advisory commented on the amendment of the VAT Act, which will come into force already on 1st April. Lawmakers, however, certainly see the matter differently - the amendment is clearly aimed particularly at combating tax evasion and dodgers. For taxpayers, this results mainly in higher administration as well as greater tax liability. This year new tax rules will become valid, too. And it brings novelties which will please the taxpayers very little, such as abolition of the waiver of tax reduction in individual cases and reducing appeals. “Unlike Law on Administration of Taxes and Fees, the new tax rules are very detailed,“ stated Hana Skalická from Peterka & Partners law office but she also added that despite that, the administrators and taxpayers will undoubtedly struggle with the uncertainties of individual provisions at first. Especially, if the same section is traditionally interpreted differently by tax specialists, differently by lawyers and again differently by financial authorities.

“I don´t know a regulation taking into account the fact that there is a cowshed behind the house!“ - these words were uttered in the course of a block devoted to the important issue of property valuation. Jaroslav Novotný from RK Rak thus pointed out the contradiction between “guideline“ prices, ie. to a great extent technical set prices, and market prices. There are certain difficulties with the quality of valuers and surveyors - L. Kostrounová from ČSOB mentioned the existence of an interbank “black-list“ in this context.

J. Novotný commented on the current market situation stating that the market is now beginning to appreciate the long denounced prefab housing, particularly in intimate neighbourhoods. Pavel Kühn signalled increased investor interest in office buildings and logistics facilities, however, he noted the continuing crisis in the hotel sector.

Closely, albeit indirectly related to the real estate sector is public procurement, a hot issue of today. In the block dedicated to it, a series of numbers and data was presented, confirming the poor state of public procurement in this country, which is also confirmed by EU statistics; for example the lowest number of applicants in the EU. Daniel Weinhold from Weinhold Legal, a member of Platform for Transparent Public Procurement, however, expressed certain optimism in connection with the prepared amendment of Public Procurement Act. Also Jan Kasl, Prague´s former mayor, praised the fact that the amendment imposes the obligation first to examine the meaning and the necessity of the contract. He documented the need for such thinking through many examples of “unsuccessful“ contracts. In addition to senseless commissions, there are a number of premature or ill-defined contracts. However, economist Pavel Kohout in this context

stressed that the inefficiency is not only a prerogative of the public sector: inefficient functioning is associated with the size of the organization, and in this sense it's unimportant whether it's a government or private entity.

The message of the last panel dedicated to finding new opportunities, was perhaps the most optimistic. Representatives of the property development companies CPI and Dandreet are looking for them - and successfully - in regions, which most real estate companies see as unperspective in terms of commercial construction. "We believe to be successful thanks to a comprehensive range of services," Martin Stibor from CPI City Centers commented on the regional concept.

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