

Business Properties Support

EU Structural Funds



Business Properties



- Industrial zones and parks
- Production halls
- Office spaces for business support services
- Premises suitable for R&D
- Technology centres
- **Brownfields** as investment opportunities



Reasons to Support Business Properties



- Insufficient supply of BP for investors
- Existence of brownfields
- Zones lacking investment
- Origination of cost gap



REAL ESTATE Programme

Programming period 2004 - 2006

OPIE



Types of Supported Projects

- Construction of business zone
- Development of business zone
- Regeneration of business zone
- Construction of rental premises
- Renovation of premises
- Preparation of project documentation (for the above-mentioned types of projects)

December 2005 – receipt of applications concluded



Real Estate Programme

Overview of Allocated Resources

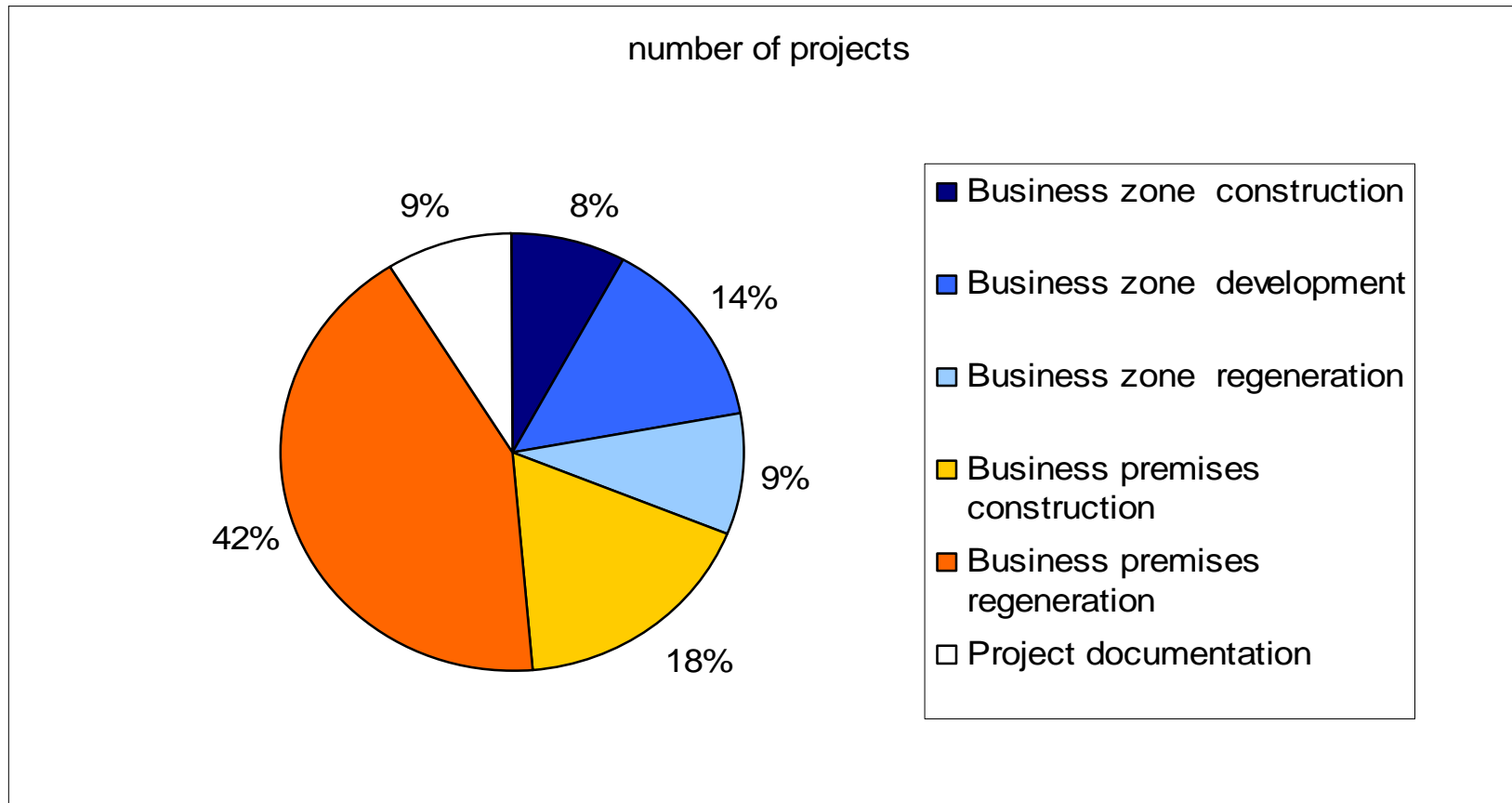


General overview of allocation distribution according to the type of project and type of applicant:

Real Estate Programme (2004-2006)		Developers		Municipalities		Supported enterprises		TOTAL	
		number of projects	requested subsidy (CZK mil.)	number of projects	requested subsidy (CZK mil.)	number of projects	requested subsidy (CZK mil.)	number of projects	requested subsidy (CZK mil.)
Business zone	construction	3	80,2	7	102,9	0	0	10	183,1
	development	1	1,5	14	176,8	1	4,9	16	183,2
	regeneration	3	42,3	3	69,1	4	26,5	10	138,0
Business premises	construction	19	956,3	1	28,9	0	0	20	985,2
	regeneration	3	83,3	1	12,0	44	485,1	48	580,3
Project documentaiton		4	20,0	5	17,0	1	0,7	10	37,7
Total		33	1 183,7	31	406,6	50	517,2	114	2 107,6
% of total		29	56	27	19	44	25	100	100

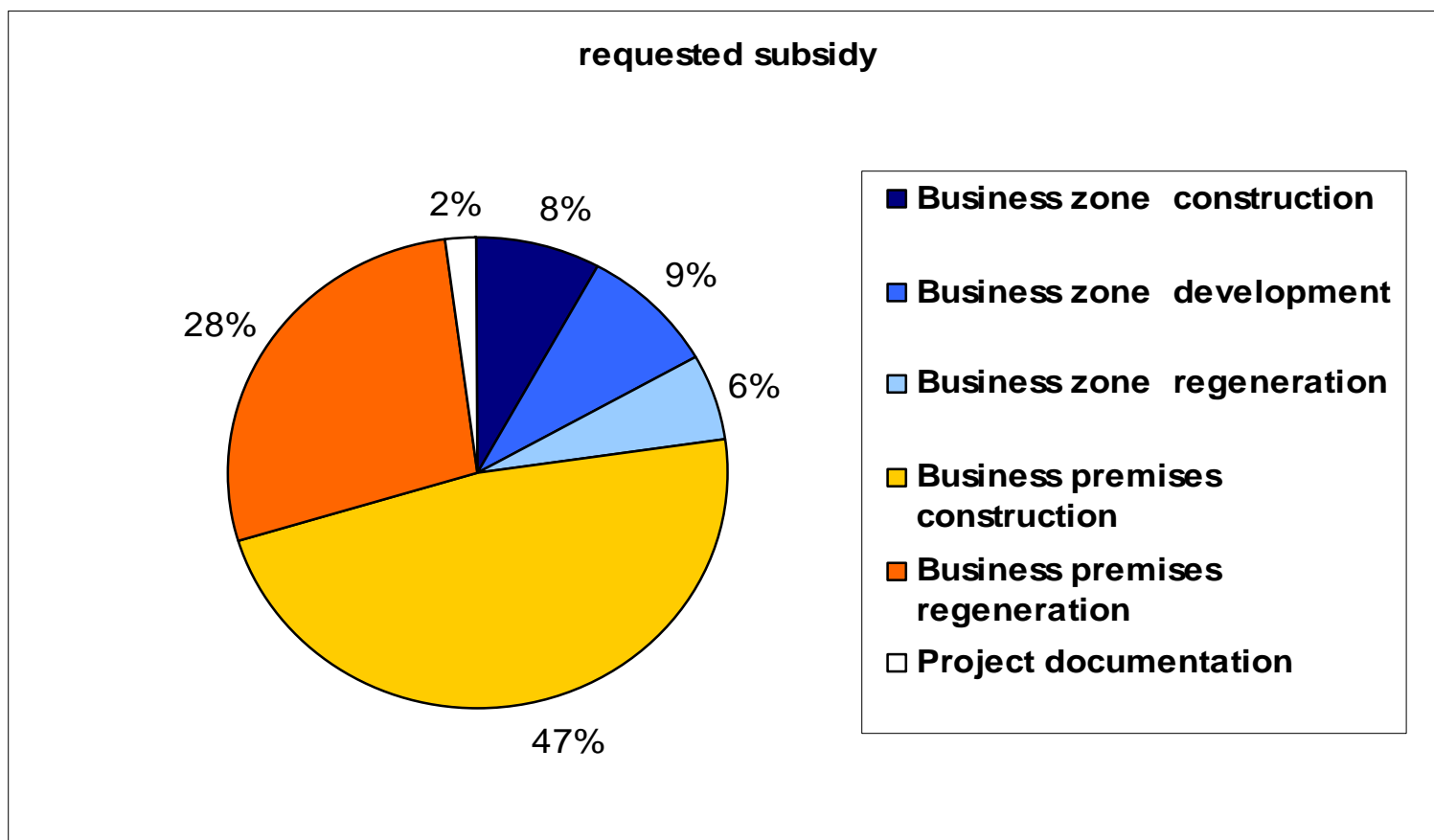
Real Estate Programme

Types of projects (number of projects in %)



Real Estate Programme

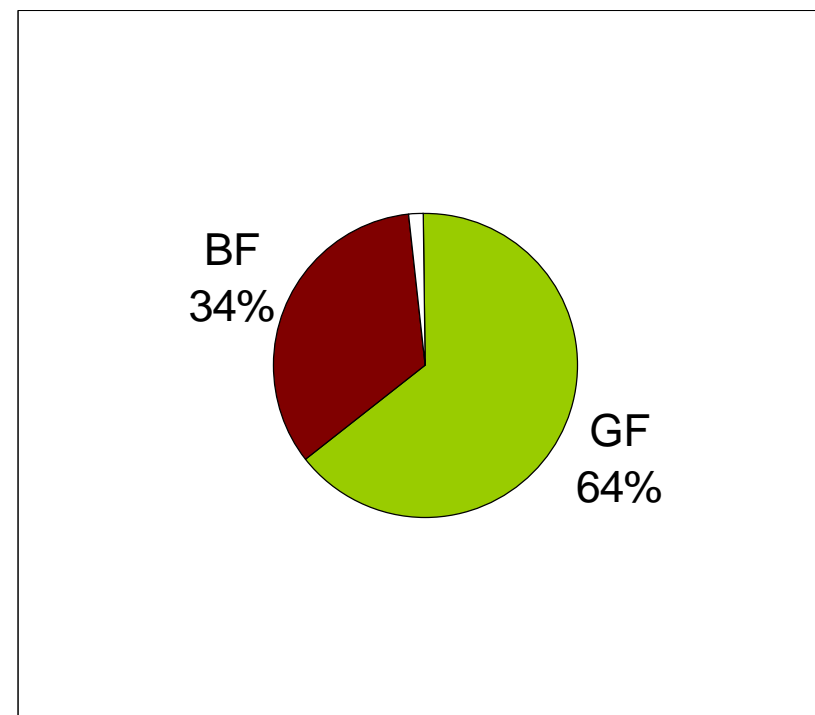
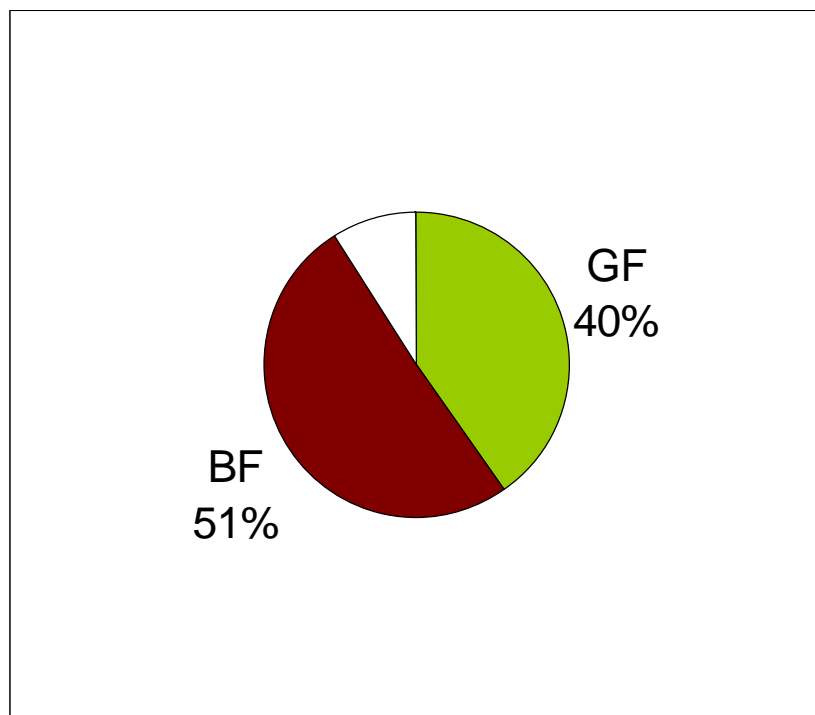
Types of projects (requested subsidy in %)



Real Estate Programme Greenfield x Brownfield



Number of supported projects Volume of requested subsidy



Real Estate Programme

Supported sites



	number of projects	requested subsidy (CZK mil.)	size of industrial zone (ha)	size of development sites (ha)
IZ construction	10	183,1	159,9	138,3
IZ regeneration	10	138,0	53,4	50,6
IZ development	16	183,2	417,3	300,6
IZ - total	36	504,3	630,6	489,5

	number of projects	requested subsidy (CZK mil.)	construction volume (thousand m3)	floor space (thousand m2)
Building construction	20	985,2	1 076,8	120,0
Building renovation	48	580,3	1 212,3	169,8
Buildings - total	68	1 565,5	2 289,1	289,8

PROPERTIES Programme

Programming period 2007 – 2013

OPEI



Aim of the programme

- Development of the business-properties market, including related infrastructure
- Regeneration of brownfields for business

IMPROVED INVESTMENT AND NATURAL ENVIRONMENTS



Allocation: CZK 16 billion (approx. CZK 2.3 billion/year)

Supported activities

- Zone preparation ----- Commercial / → min. 2 ha
- Zone regeneration ----- Non- → min. 2 ha
commercial
- Building renovation ----- → min. 500 m² floor space
- Constr. of rental premises -- Komerční → min. 500 m² floor space
- Project documentation ----- For commercial use of property
- Relocation of firm ----- Non-commercial → original location:
min. 500 m² floor space
or 2 ha of land

Properties Programme

Recipients of Support



- Territorial administrative unit
(or confederation of territorial
administrative units)

- Business entities



Properties Programme

Solution of branch definition



Recipient of support



Supported project
(or activity)

User of property
(according to NACE)

Properties Programme

Eligible Costs



Investment

- renovation / construction of premises
- removal of ecological burdens
- utilities networks and roads
- purchase of land / structures
- project preparation



Form and Amount of Support

Form of support	direct subsidy	
Amount of support	according to type of project and type of recipient	
	according to the regional map	
% of EC (eligible costs)	SME	50%*
	LE	40% <i>(in solution)</i>
	TAU	40% <i>(in solution)</i>

Commercial projects additionally limited by **Cost Gap**



*46% in NUTS II Southwest
(Plzen and South Bohemia region)

Form and amount of support - exceptions



Construction of rental premises	unrealised rent defrayed	} of market rental costs	
	1 st year		90%
	2 nd year		70%
	3 rd year		50%
Zone regeneration	according to environmental protection regulations – up to 100% of EC		
	limited by Cost Gap		
	subject to notification (announcement by end of 2007)		
IZ preparation + municipality	only Non-commercial project		
	in the case of Public Infrastructure -> de facto earlier Zone development Rozvoj zóny		
	subsidy 80% of EC		

Properties Programme

Possible combinations of project type and applicant type



Type of supported activity	Type of project	Recipient of support		
		SME	Large enterprise	Municipality
Zone preparation	Commercial	x	x	x
	Non-commercial	x		x
Construction of rental premises	Commercial	x	x	x
Building renovation	Commercial	x	x	x
	Non-commercial	x		
Relocation of firm	Non-commercial	x		
Project documentation		x	x	x

Brownfield = property that is currently insufficiently used or neglected and that represents a burden on the natural environment and can be used only under the condition that it is regenerated.

Properties Programme

Programme announcement



Programme announced in the form of **Calls:**

Supported activity Zone Regeneration

Ø end 2007 at the earliest

Other supported activities

Ø June - July 2007



Thank you for your attention

Ing. Markéta Rychlá

tel.: +420 296 342 826

marketa.rychla@czechinvest.org

www.czechinvest.org

