

Avoid real estate law surprises

Several amendments to real estate legislation in the Slovak Republic and Czech Republic came into force the 1st of January 2013, and could impact your business. In the following article we briefly introduce these changes: you should continue reading if you don't want to be taken by surprise.

SLOVAK REPUBLIC

1. Are You Properly Certified?

- Management of energy demand through directions is an important tool which enables the European Union to influence the global energy market and, through this, the security of energy supply in the medium and long term.
- Obligation to obtain an energy certificate (and a label) applies to a new category of buildings: to buildings permitted or renovated (structural alterations which interfere with the building envelope with respect to more than 25 percent of area).
- Owners of buildings are obliged to hand over a valid energy certificate to the new owner (original)/tenant (a copy) in case of sale or lease; in the case of a building under construction, the owner is required to provide a design energy rating to the buyer. The integrated energy performance indicator must be included in any advertisement for both the sale or lease of a building.
- In buildings frequently visited by the public and have a floor area larger than 500 square meters an energy label must be displayed in a clearly visible place. The label is obtained together with the energy certificate.
- A breach of the above may result in a fine from € 500 – 3,000.
- Before construction, the project manager is obliged to obtain a calculation of the building's

energy performance.

- In the case of a residential building, you must hold an energy certificate to meet the conditions needed to obtain a building permit. For non-residential buildings, an energy certificate must be obtained in the terms set out by the building office, within six months.

2. Did You Know that You are a Guarantor?

- You may become liable as a recipient of consideration for the payment of value added tax. Your liability arises if your supplier does not pay the value added tax to the state (and you are aware of this) at the time of origin of the tax obligation or on the basis of sufficient precedent that you should have known or could have known that the tax would not be paid.
- A sufficient reason is - in a simplified way - when: the consideration for the supply is unreasonably high or low, if your supplier is evidenced in a register kept by the Tax Directorate of Slovak Republic (such register is still to be created) or at the time of the origin of tax obligation, your executive becomes the (de-facto) executive of your supplier.
- Additionally, you become a taxable person if you supply or lease a real property where the turnover from such supply is at least €49,790.

3. Where Did all the Bureaus Go?

- Powers of the regional construction offices (krajské

stavebné úrady) have been passed to the district offices (obvodné úrady) within the administrative seats of the regions (kraje).

- Powers of the regional environmental offices (krajské úrady životného prostredia) have been passed to the district environmental offices (obvodné úrady životného prostredia).
- Powers of the regional land offices (krajské pozemkové úrady) have been passed to the district offices within the administrative seats of the regions (kraje).
- Powers of the cadastral offices (katastrálne úrady) have been passed to cadastral administrations (správy katastra) within the administrative seats of the (individual) regions.

CZECH REPUBLIC

4. No More Trouble with the Inspector.

Czech real estate law has also been through several important changes. In previous amendments to the Czech Construction Act a new institute was introduced – the institute of the authorized inspector, which can substitute a building permit with his certification. This amendment was not welcomed by the public, mostly due to the possibility for partiality by an inspector. The recent amendment of the Czech Construction Act is a limitation on authorized powers of inspection.

- Notification of a development project (stavebný zámer) made on the basis of an inspector certificate will be publicly dis-

played on the official board of the regional construction office for at least 30 days.

- Persons that would otherwise be parties to the construction proceedings will be allowed to inspect the file (including the inspector certificate).
- Within the 30-day period of public display, both the party of the developer and the construction office can submit objections.
- The construction office may either reject any objections or issue a decision that the public display of a project has no legal effect practically rejecting the entire development project, which subsequently has to go through regular planning permit proceeding.

Amendments to the Czech Construction Act also introduce several simplifications to the planning permit proceedings (územné rozhodnutie):

- Categories of buildings not requiring a planning permit have been extended to – for example - family houses with buildings up to 25 square meters of developed area (zastavaná plocha).
- Water, energy and sewage connections regardless of their length do not require a building permit anymore.
- Public hearings in planning proceedings will be obligatory only in cases where construction requires an environmental impact assessment (EIA), or for projects located in areas without land-use plans (územný plán).



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