

Welcome to Vienna!

The „Zentralverband der Hausbesitzer“ is pleased to organise and host the 41st UIPI International Congress in Vienna, about investments in real estate property in Europe. This congress will especially stress the topic „Future of private housing“.

The congress will take place in one of the most popular cities in Europe. Delegates will not only have the opportunity to explore Vienna, but will also have the chance to get to know the wine gardens, located south of Vienna and the famous Danube valley „Wachau“ including its monastery „Göttweig“.

The theme of the Congress is of utmost importance for the economy, as well for the society of Europe, especially in the hardship times which Europe and the whole humanity is encountering. We are trying to approach it in the most objective and effective way, with some of the best available speakers on the subject.

Meanwhile, we are also doing our best to offer our guests an interesting and unforgettable experience in one of the most beautiful cities in Europe, and a lasting memory afterwards.

Welcome to Vienna!



Friedrich Noszek
President „Zentralverband der Hausbesitzer“

Agenda of the 41st International Congress of U.I.P.I

“Real Estate Investments in Europe: Trends, costs & profits”
The future of private real estate property

Saturday 21 May 2011

Venue: Radisson SAS Palais Hotel

Morning:

- | | |
|--------------------|--|
| 9.00 am | Registration of participants |
| 10.00 am | <p>Opening of the Congress:
Dr. Friedrich Noszek, President of Zentralverband der Hausbesitzer
Mr. Stratos Paradias, President of UIPI, Lawyer
Opening speech by Dipl.-Ing. Günter Liebel the representative of the acting
Federal Minister of Agriculture, Forestry, Environment and Water Management
Sektionschef, Dipl.-Ing. Nikolaus Berlakovich</p> |
| 10.30 am | <p>Introductory speech: Professor Helmut Ofner, University of Vienna
<i>“The European Unification of the Landlord and Tenant Law – an Overview”</i>
Discussion</p> |
| 11.30 am | <p>Professor Andreas Kletecka, University of Salzburg
<i>“Tenancy law as an obstacle to investments”</i>
Discussion</p> |
| 12.30 am - 2.00 pm | Lunch (Radisson SAS Palais Hotel) |

Afternoon:

- | | |
|-------------------|--|
| 2.00 pm - 2.45 pm | <p>Ing. Mag. Walter Stingl, Tax accountant
<i>“Taxes as an investment incentive?”</i>
Discussion</p> |
| 2.45 pm - 3.30 pm | <p>Dr. Michael Balak, ifi-Institut für Bauschadensforschung (IBF)
<i>“Technical problems and costs of real estate renovation and refurbishment”</i></p> |
| 3.30 pm – 3.45 pm | <p>Intervention of Ing. Stamatis Perdios, Technical advisor of UIPI:
<i>“Real estate investments and energy improvement of buildings”</i>
Discussion</p> |
| 4.00 pm - 4.30 pm | Coffee Break |

- 4.30 pm - 5.15 pm Dr. Wolfgang Louzek, President of the
 “Verband der institutionellen Immobilieninvestoren”
*„Profitable use of real estate property – costs and benefits
 of the continued existence of private housing”*
 Discussion
- 4.30 pm - 5.15 pm Parallel Session
 Mag. Cornelia Spitzer, Prüftreuhand OG
*„The fiscal handling of one-family houses in Austria in comparison to Hungary,
 Czech Republic or Slovakia“*
- 5.30 pm - 6.15 pm Prof. Dr. Wolfgang Kahlig, Conthaus
“Successful property management in the future”
 Discussion
- 5.30 pm - 6.15 pm Parallel Session
 Dr. Herbert Greisberger, ÖGUT
„Climate: Active Renovation: Quality of life and value enhancement“
„Climate: Active Construction and Renovation“
- 7.30 pm Departure for the wine tavern (“Heuriger” Krug in Gumpoldskirchen)

Sunday 22 May 2011

Venue: Radisson SAS Palais Hotel

Morning:

- 9.00 am - 10.45 am Country reports of France, the United Kingdom, Germany, Italy and Spain on
 the current situation and future of private real estate property
- 10.45 am - 11.30 am Presentation of UIPI Book - Résumé and closing words by the Presidents
- 12.00 am Bus ride departure for Spitz an der Donau (Lower Austria)

Afternoon:

- 1.30 pm - 2.30 pm Danube River Cruise (from Spitz to Krems an der Donau,
 with light buffet on board)
- 3.00 pm - 4.30 pm Visit of Göttweig Abbey (“Stift Göttweig”)
- 5.00 pm – 6.00 pm Bus ride to Vienna
- 8.00 pm Formal dinner with music
 Venue: “Das Johann” - Kursalon Vienna

A message by the UIPI President, Stratos Paradias



Dear friends and colleagues,

The International Union of Property Owners (UIPI), representing the opinions and interests of the property and building owners of 25 European countries, is welcoming you in Vienna, to its 41st international Congress, titled „Real Estate Investments in Europe: Trends, costs & profits – The future of Housing“.

Real estate property and buildings is a traditional investment for most of the European citizens, and the most valuable asset for every European family, as well as for many important enterprises. The UIPI is actually the watchdog of this legacy at European, as well as at international level.

Real estate property and building ownership is burdened by many obligations, restrictions, multiple taxation, threatening its sustainability. Energy performance of buildings has been added today as an important consideration, since at the time most existing buildings were being constructed, energy savings in buildings was not an issue. Nevertheless, investments in any kind of real estate property are always the epicenter of the financial and human interest. Building and developing activity is the engine of national economies, all over Europe. A healthy real estate market is an indispensable element of any prospering national economy.

Today's global financial crisis makes the investment in real estate property even more important, even more interesting. It is vital for any potential investor to know what are the trends in today's market, which will survive tomorrow, what are the costs and obligations of the owners or the users of the properties, especially the built ones, and what are the odds concerning the profits that are justifiably expected for the investor.

These are the topics treated by the brilliant speakers of our Vienna 41st International Congress. This is only one of the reasons why we expect all of you to join us in Vienna. The other one is the excellent program of our Congress, organized by our Viennese colleagues in a unique city, which has only friends and admirers!

Heartful thanks to our Austrian colleagues and especially to our Vice president Dr. Friedrich Noszek, for their warm hospitality and the excellent organization of this congress!

Welcome to the 41st UIPI Congress!

Stratos Paradias

UIPI President

A message from the President of the „Zentralverband der Hausbesitzer“, Dr. Friedrich Noszek



**Dear ladies and gentlemen,
Dear colleagues and friends!**

Welcome to Vienna. I am pleased that an essential topic for our house owners is being handled on an international level: namely the future safeguarding of private property is being addressed, dealt with and discussed. It is a key question: how can I safeguard my property? This deals with technical questions that are determined in various national and international regulations. The scope of regulations is increasing, and often lay persons but also some practitioners who ask this question, fail to understand where the boundaries of the need for regulations lie. Lobbies of professionals focus on their economic interest and accelerate cost intensive regulations. Materials offered are more diverse and the benefits for the user are more difficult to see through.

Energy efficiency is specified in the guidelines of the EU. In order to achieve energy savings, enormous investments must be made. Behind this, however, are goals such as economic growth and job security as well as the creation of new jobs. That is very important if you know the significant unemployment in European states.

The question remains: who pays? Only the owner? Or together with renters as beneficiaries? Or together with public funding?

There are still tenancy law regulations throughout Europe that set a course for a controlled economy. On the whole there are rental interest limitations and regulations about dismissal protection. These are based on powerful ideological currents and populist ideas with regards to the voting behaviour of the population.

Tax laws are getting stricter, tax audits more frequent. The tax quota is increasing, because the requirements on the state, in particular social services, alone due to the European age structure, are increasing. The UIPI worked on a current European comparison of taxation, which will be presented in the course of this congress. We need to ask ourselves where the boundaries for taxation lie and when taxation obtains an expropriate character.

It equates to a magic polygon of needs and legal requirements. This fight for existence is not seen reluctantly by some social circles. What status does property have? What status can it have? It is a matter of experience that managing in times of economic crisis has become significantly more difficult. Falling real earnings with lower affordability and disproportionately increasing construction costs with higher rights of the tenant at the same time, that is reality.

But problems are there to be overcome. Our associations give the members help to overcome the rising number of problems. This congress should serve to address problems together, discuss them and think about solution approaches.

Furthermore Vienna as a cultural centre in Central Europe offers sufficient possibilities to make the stay of our foreign guests and friends pleasant and interesting. An accompanying programme and an excursion are also provided. As the host we want, and we are convinced of this, this „Vienna Congress“ to offer the participants the necessary factual information and also remain as a pleasant memory.

Friedrich Noszek
President ZH

A Comparative Study on Real Estate Property Taxation in Europe



By Tassos G. Vappas
Attorney at law LL.M PhD nom.
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1. INTRODUCTION

1.1. General remarks on methodology

Seven years after the previous comparative study on real estate property taxation which had been presented during the 37th International Congress of UIPI in Berlin, the economic situation all over Europe has changed dramatically, bearing the taxation legislation in almost all European countries. This is why it is absolutely necessary for UIPI to update this unique essay, which is an extremely useful weapon to our everyday struggles all over Europe, against the tax nightmare of our times. This study, which is based on the answers to the questionnaires of the members of the UIPI Taxation Committee, includes many tables and charts, as well as some useful additional material.

The method of developing such a project is always essential, in order to be comprehended by readers come from countries with entirely different legislative background. Principally this survey includes the nineteen European country-members of UIPI, the representatives of which answered to the last questionnaire concerning taxation, for the year 2010. In order to simplify the comparison and focus at the most important conclusions, this survey includes only the main taxes (on income, capital and cost) and not the rates and duties (apart from stamp duty), imposed for various services. The classification of different taxes is accomplished according to the general rules of tax-law theory.

1.2. Private Real Estate Property

The most burdened form of private capital.

Real Estate Property, the most conservative type of capital, always holds the interest for everyone, regardless of social status, cultural or economic level. Irrespective of the social structural changes, real estate property still remains esteemed and up to now it is collectively considered as the safest type of investment as well as the most acceptable sign of credibility and method of solvability.

The fact that real estate property permeates the total social and financial structure of a country, makes all governments rethink it as the most practical way to promote their financial, administrative, social and saving policies, at the expenses of its owners. The same practice is being followed exactly by municipalities and local governments, which are mostly classified in consecutive levels.

As such, this particular practice indicates that in some countries, real estate property (land and buildings) has become the most burdened type of capital on international level. In general, real estate property is the sole form of capital that can be surcharged with multiple, burdensome and sometimes practically confiscating taxation, for instance:

- a. Any type of capital tax upon the ownership, the transaction or its value growth.
- b. Income tax, which is often imposed rather at higher tax-rates on income deriving from immovable property, than on income from other sources.
- c. Transfer tax, which is imposed on real estate property exclusively.
- d. V.A.T., which can be imposed on the cost of building construction as well as on the transactions or on the income, deriving from renting.
- e. Most of the municipal rates, which can be imposed for any reason.
- f. Many other rates and contributions in favor of social insurance organizations, national legal persons, even various churches.
- g. Various charges for an increasing number of inspections and certificates (energy, lifts).

The combined result of these surcharges upon real estate property cannot be represented accurately at global level due to the mass of disparate legislations and practices. Nevertheless, the conduct of a comparative survey that would focus on main taxation issues concerning real estate property and especially on those who have a fundamental position in each taxation system is always the objective of our Taxation Committee, as well is a powerful and handy tool for our members. Having the necessary information, they will then be able to exert pressure to their governments toward the gradual decrease of all these tax burdens. Moreover, the concentration of all these facts and elements enables us to give an aggregated picture of the real estate property taxation at European level, especially before the emerging prospect of the European tax integration.

1.3. Issues in Taxation Policy

According to national tax authorities, as well as the tax-law theory, the different forms of taxation on the same tax material, could be justified by three main reasons:

1.3.1. Social Reasons

In many cases, this is the only or the main reason of taxation on r.e.p. According to tax authorities, real estate property owners seem to have a higher taxable capacity due to their capital and -in some cases- due to the income derived by their property, which is irrelevant to their main activity, and health's condition. OECD supports that the taxation -from this angle- satisfies the request for "horizontal equity" (equal tax treatment for persons with comparable taxable capacity), as well as "vertical equity" (different, appropriate tax treatment for persons with different taxable capacity).

Therefore, an annual tax on the real estate property ownership, aims at taxation of the capital, which is maintained without the corresponding risk, as well as the obstruction of exaggerated capital accumulation. The unfavourable taxation of real estate property income, whether implemented by different tax scales or by the adoption

of an additional tax, aims at burdening the income which has been seemingly acquired without any sacrifice of health or leisure. Donation and inheritance taxes mainly target on the diffusion of capital at least once per generation either throw the passing of a quite large part of capital to the State (as tax) or by the splitting of capital to smaller parts for each recipient. Besides the above mentioned reasons, the State is always able to impel its social objectives by adoption of various tax-free thresholds, deductions of exemptions for certain categories of tax-payers (multi-children families, handicapped people etc) or real estate (agricultural or forest land etc).

1.3.2. Fiscal Reasons

On the past, the r.e.p. taxation used to offer a large inflow of revenues and a considerable contribution to the gross domestic product. Nowadays, the above mentioned efficiency seems limited, so one of the main claims of tax authorities, trying to excuse the multi-taxation of property, is that property taxation "secures the efficient allocation of resources", leads the accumulated capital to more productive use and compels property owners to develop their property or even sell it to someone capable to develop it.

This statement, disregards the fact that the excessive taxation of r.e.p. discourages a large part of the population from directing their capital to real estate property -which is probably the most stable and controlled forms of property-engaging them to the hunt of other -less taxed- investments which -in most cases- are extremely venturous, demand special knowledge and have less contribution to national revenues. Moreover, it is possible for the capital not to be directed to a productive use but to overspending and over-consumption of goods. Inheritance taxes could also have similar negative effects, while they force the testator to fragmentize his real estate property to small parts without any perspective for productive and viable development. Furthermore, transfer tax and V.A.T. on transactions, joint with capital gains tax, can have opposite effect on national economy, because those taxes surcharge the trade value of property affecting the investments

and -in some cases- discouraging the potential investors.

1.3.3. Administrative Reasons

Centuries ago, when tax authorities didn't have the current technological equipment, they had realized the simplicity and the effectiveness of the taxation on property as far as r.e.p. is the most visible and difficult to be encrypted, capital form. For this reason, tax authorities are always able to easily cross-check r.e.p. by using data related to income or capital taxation system, in order to discourage tax evasion.

On the other hand, taxation on property has also some very serious administrative problems which affect its administrative cost. The most important of them, is the problem of property valuation. When the value is detectable -as for instance in case of sale- difficulties are limited, but property tax as well as donations and inheritance taxes must be calculated on an estimated value. For this reason, tax authorities have invented many different valuation systems, which are still too complicated and demand considerable time and manpower to function properly.

2. INCOME TAXATION

2.1. General information

The income tax is the impost, which affects the income received by a person or a company during a specific period of time. The first country, which levied income tax, was UK, in 1779. This specific income tax was withdrawn some years later, but was levied again in 1842. In all the other European countries, income tax was introduced at the end of 19th century. According to the tax law, income taxation is justified by the fact that income represents -quite accurately- the purchasing power of taxpayer. On the other hand, income tax is also considered as an efficient tool for the achievement of fiscal¹ and social² objectives. Therefore, there is no country without income tax and income taxation seems to keep its contribution to the National Gross Domestic Product.

1) In most cases the purpose is solidification or even development of economy

2) This could be the challenging of maldistribution of wealth

Personal income tax as percentage of GDP

	2002	2003	2004	2005	2006	2007	2008	2009
AUSTRIA	10,0	10,0	9,8	9,3	9,3	9,4	9,9	9,5
BELGIUM	14,2	13,9	13,8	13,8	13,2	13,0	13,5	13,0
CZECH REPUBLIC	4,7	4,9	4,8	4,6	4,2	4,3	3,7	3,7
DENMARK	25,6	25,5	24,9	24,9	24,8	25,3	25,2	26,5
FRANCE	7,5	7,5	7,4	7,9	7,7	7,4	7,5	7,3
GERMANY	8,9	8,5	7,9	8,1	8,6	9,0	9,6	9,3
GREECE	4,6	4,4	4,4	4,7	4,7	4,8	4,8	...
IRELAND	7,4	7,6	8,3	8,3	8,8	8,8	8,0	7,6
ITALY	10,5	10,5	10,4	10,4	10,7	11,1	11,6	11,7
NORWAY	10,7	10,5	10,3	9,7	9,1	9,7	9,1	10,2
POLAND	4,3	4,2	3,7	3,9	4,6	5,2	5,4	...
PORTUGAL	5,3	5,3	5,2	5,2	5,3	5,6	5,6	...
SLOVENIA	5,7	5,7	5,8	5,5	5,7	5,6	5,9	6,0
SPAIN	6,5	6,4	6,1	6,4	6,8	7,4	7,1	6,7
SWEDEN	14,7	15,2	15,3	15,4	15,4	14,6	13,8	13,5
SWITZERLAND	10,3	10,0	10,0	10,4	10,4	9,1	9,1	9,8
UNITED KINGDOM	10,4	9,9	10,0	10,4	10,6	10,9	10,7	10,4
AVERAGE	9,1	9,4	9,3	9,3	9,4	9,5	9,4	9,7

Corporate income tax as percentage of GDP

	2002	2003	2004	2005	2006	2007	2008	2009
AUSTRIA	2,2	2,2	2,3	2,2	2,2	2,4	2,5	1,7
BELGIUM	3,0	2,9	3,1	3,3	3,5	3,5	3,3	2,
CZECH REPUBLIC	4,3	4,6	4,7	4,5	4,8	5,0	4,2	3,7
DENMARK	2,9	2,9	3,2	3,9	4,3	3,8	3,4	2,4
FRANCE	2,9	2,5	2,8	2,4	3,0	3,0	2,9	1,4
GERMANY	1,0	1,3	1,6	1,7	2,1	2,2	1,9	1,3
GREECE	3,4	2,9	3,0	3,3	2,7	2,5	2,5	...
IRELAND	3,7	3,7	3,6	3,4	3,8	3,4	2,8	2,4
ITALY	3,1	2,8	2,8	2,8	3,4	3,8	3,7	3,1
NORWAY	8,1	8,0	9,9	11,8	13,0	11,4	12,5	8,2
POLAND	2,0	1,8	2,2	2,5	2,4	2,8	2,7	...
PORTUGAL	3,3	2,8	2,9	2,7	2,9	3,6	3,6	...
SLOVENIA	1,6	1,7	1,9	2,8	3,0	3,2	2,5	1,9
SPAIN	3,2	3,1	3,4	3,9	4,1	4,7	2,8	2,2
SWEDEN	2,3	2,4	3,0	3,7	3,6	3,7	3,0	2,8
SWITZERLAND	2,6	2,5	2,5	2,6	3,0	3,1	3,3	3,4
UNITED KINGDOM	2,8	2,7	2,8	3,3	3,9	3,4	3,6	2,8
AVERAGE	2,5	2,4	3,0	3,7	3,6	3,7	3,0	2,8

*Source: OECD

In most cases, income derived by r.e.p. is treated as any other income (derived by other source), but in some countries -especially in France and Greece- there are also some additional taxes only on r.e.p. income. Apart from Bulgaria, Czech Rep. Denmark and Norway (where a flat-rate is applicable), in all the other countries, personal income tax is usually progressive and the lowest incomes pay less or no tax, while higher incomes are taxed under rates which can be reached at 50%. On the other hand, apart from Portugal and UK (where a progressive scale is applicable), in

all the other countries, corporate income tax is flat and only in Belgium and France exceed the rate of 30%.

The next two tables show the income tax scales and rates for individuals and companies correspondingly, amongst the eighteen country-members of U.I.P.I. which have participated to this survey.

3) In Austria, Cyprus, France, Germany, Greece and Slovenia

4) In Austria and Belgium.

TABLE 1: R.E.P. INCOME TAX OF INDIVIDUALS

COUNTRY	BRACKETS	RATES	ADD.	COUNTRY	BRACKETS	RATES	ADD.
AUSTRIA	First 10.000€ ⁵	0%		SLOVENIA	First 2.800€ ⁶	0%	
	10.000-25.000€	38.33%			Above-7.188€	16%	
	25.000-51.000€	43.60%			7.188-14.375€	27%	
	Above 51.000€	50%			Above 14.375€	41%	
BULGARIA	Whole income	10% ⁷		NORWAY	Whole income	28% ⁸	
BELGIUM	First 7.900€ ⁹	25%	YES ¹⁰	FRANCE	First 5.875€	0%	12,1% ¹¹
	7.900-11.240€	30%			5.875-11.720€	5,5%	
	11.240-18.730€	40%			11.720-26.030€	14%	
	18.730-34.330€	45%			26.030-69.783€	30%	
	Above 34.330€	50%			Above 69.783€	40%	
GREECE	First 12.000€	0%	1,5-3% ¹²	PORTUGAL	First 4.898€ ¹⁴	11,5%	
	12.000-16.000€	18%	3,6% ¹³		4.898-7.410€	14%	
	16.000-22.000€	24%			7.410-18.375€	24,5%	
	22.000-26.000€	26%			18.375-42.259€	35,5%	
	26.000-32.000€	32%			42.259-61.244€	38%	
	32.000-40.000€	36%			61.244-66.045€	41,5%	
	40.000-60.000€	38%			66.045-153.300€	43,5%	
	60.000-100.000€	40%			Above 153.300€	46,5%	
	Above 100.000€	45%		SPAIN	First 17.700€	24% ¹⁷	
ITALY	First 15.000€	23% ¹⁵	0,9-1,4%		17.700-33.000€	28%	
	15.000-28.000€	27%	0,2-		33.000-53.400€	37%	
	28.000-55.000€	38%	0,5% ¹⁶		Above 53.400€	43%	
	55.000-75.000€	41%		DENMARK	Whole Income	24,6% ¹⁸	8% ¹⁹
CZECH REP.	Whole income	25%		SWEDEN	No information		
POLAND	No information			UNITED KINGDOM	First 42.353€ ²²	20%	
CYPRUS	First 19.500	0% ²⁰	3% ²¹	IRELAND	Above 42.353€	40%	
	€19.500 - €28.000	20%			First 32.800€	20%	2-7% ²⁴
	€28.000 - €36.300	25%			Above 32.800€ ²³	41%	
	Above €36.300	30%					
GERMANY	First 8.004€	0%		(912,17 · y+1.400) · y (y=1/10.000 of the income in excess to 8.004€) (228,74·z+2.397) · z+1.038 (z=1/10.000 of the income in excess to 13.469€) 42% less 8.172€ 45% less 15.694			5,5% ²⁵
	8.004-13.469€						8-9% ²⁶
	13.469-52.881						
	52.881-250.730€						
SWITZERLAND	Above 250.730€	45% less 15.694					
	First 9.844€ ²⁷	0€		49.140-52.890€	4,64€ tax /78,13€ income		
	9.844-21.406€	0,60€ tax / 78,13€ income		52.890-70.156€	5,16€ tax /78,13€ income		
	21.406-28.047€	0,69€ tax / 78,13€ income		70.156-91.250€	6,88€ tax /78,13€ income		
	28.047-37.422€	2,06€ tax /78,13€ income		91.250-119.297€	8,60€ tax /78,13€ income		
	37.422-49.140€	2,32€ tax /78,13€ income		119.297-511.719€	10,31€ tax /78,13€ income		

- 5) There is a tax deduction for exclusive-educators, depending on the number of child which is 364€ for families without child, 494€ for one child, 669€ for two children and 220€ for each of the additional children.
- 6) This is the general deduction of the taxable income. There is also a deduction 2.066-8.246€ for dependent family members and 1.250€ for taxpayers over 65 years of age. Moreover 13,5% of pension is deducted from income tax.
- 7) There is a tax exempt for rental income from agricultural land. Moreover there is a rental income tax deduction up to 10% for eligible cost. Other deductions are also available for life insurance premiums, people with disabilities etc.
- 8) Income from letting of a part of a house where the owner lives in is tax-exempted if the letting area is less than 50% of the total area of the house.
- 9) Every person who has his official residence in Belgium benefits of an exemption of tax on a fixed amount of income. For the income-year 2009 the following amounts were fixed: For each spouse or single person: 6430€ (free of tax), for 1 protected child at charge: 1370€, for 2 children: 3.520€, for 3 children: 7.880€, for 4 children: 12.750€, for each other protected person: 1.310€, for each protected person older than 65 years: 2.730€
- 10) The personal income tax goes to the federal state. The community where the tax payer has his main residence levies an additional tax ("additionels communaux") which is a percentage of the federal tax.
- 11) There are five (5) additional taxes levied on income from real estate and income from privately let furnished accommodation: Social welfare levy (Prélèvement social)=2%, General social welfare contribution (Contribution sociale généralisée)=8,2%, Welfare debt repayment levy (Contribution pour le remboursement de la dette sociale)=0,5%, Contribution additionnelle au prélèvement social=0,3%, Contribution additional pour le financement du RSA=1,1%
- 12) It can't exceed the main income tax. The increased rate is applicable on the rent income for houses over 300 m2. Until January 2000 tax-rates were 3% and 6% correspondingly.
- 13) Stamp duties, levied on the rental income from commercial rentals

- 14) Substantiated maintenance expenses and the municipal immovable property tax (IMI) may be deducted. Furthermore there is a tax credit of 30% of interest and principal repayments on loans contracted for the acquisition, construction or improvement of the taxpayer's permanent residence, or for renting out immovable property in rental contracts after 1990 which is the tenant's permanent residence, up to a limit of 591€.
- 15) There is a deduction of 30% for the lease contract with rent agreement
- 16) Regional surcharge tax and Local surcharge tax
- 17) A percentage of the ratable value of the property (with the exception of tax payer's main domicile), is considered as income and taxed under the personal income tax. There is a tax reduction (percentage) if taxpayer has bought property and his age is less than 32 years old. There is also a tax exemption for re-invested income.
- 18) The income tax in Denmark is municipal and municipal authorities fix the tax rate each year. The tax rate of 24,6% was the average rate for the year 2007.
- 19) Health tax
- 20) Some deductions are applicable for individuals: a. 20% of gross rental income, b. wear and tear allowances (depreciation), c. expenditure for the maintenance of buildings. under preservation order (subject to conditions)
- 21) Special contribution for defence on gross rental income after deduction of 25%.
- 22) 36.000£. Fixing €/£=0,85 (ECB 15-3-2011).
- 23) For married couples the bracket is 65.600€
- 24) Universal Social Charge (Progressive): The brackets and rates are: 0-10036: 2%, 10.036-16.016: 4% above 16.016: 7%
- 25) Solidarity Surcharge "Solidaritätszuschlag"
- 26) Church Tax for members of Christian churches
- 27) This tax scale concerns federal tax. Some deductions are applicable for interest-payments, maintenance costs, administration costs incurred by third person, payments for environmental or energy saving measures. Fixing €/CHF=1,28 (ECB 15-3-2011). There is also a tax levied on a cantonal/communal level. The cantonal tax is higher than the federal one. Federal and cantonal tax are paid cumulative.

TABLE 2: R.E.P. INCOME TAX OF COMPANIES

COUNTRY	BRACKETS	RATES	ADDITIONAL TAXES
AUSTRIA	Whole income	25%	
BELGIUM	Whole income ²⁸	33,99%	YES ²⁹
BULGARIA	Whole income	10%	
CYPRUS	Personal companies-LTDs	10%	3% ³¹
	Capital companies ³⁰	25%	
CZECH REP.	Whole income	20%	
DENMARK	No information		
FRANCE	Whole income	33,25%	12,1% ³²
GERMANY	Whole income	15%	5,5% ³³
			3,5% ³⁴
GREECE	Personal companies	20%	1,5-3% ³⁶
	Capital companies	25% ³⁵	3,6% ³⁷
IRELAND	Whole Income	12,5%	2-7% ³⁸
ITALY	Whole income	27,5%	
NORWAY	Whole income	28%	
POLAND	No information		
PORTUGAL	First 12.500€	12,5%	1,5% ³⁹
	12.500-2.000.000€	25%	
	Above 2.000.000	27,5%	
SLOVENIA	Whole income	18%	
SPAIN	Whole income	30%	
SWEDEN	No information		
SWITZERLAND	Whole income	8,5% ⁴⁰	
UNITED KINGDOM	First 35.294€ ⁴¹	21%	
	35.294-1.764.705€	No information	
	Above 1.764.705€	28%	

28) This rate is applicable if the total income is higher than 322.500€. If the total income is lower than 322.500€, the brackets and rates are: 0 – 25.000€:24,98%, 25.000 – 90.000€:31,93%, 90.000 – 322.500€:35,54%

- 29) The personal income tax goes to the federal state. The community where the tax payer has his main residence levies an additional tax ("additionels communaux") which is a percentage of de federal tax.
- 30) Some deductions are applicable for companies: a. running expenses, b. wear and tear allowances (depreciation), c. expenditure for the maintenance of buildings. under preservation order (subject to conditions)
- 31) Special contribution for defence on gross rental income after deduction of 25%.
- 32) There are five (5) additional taxes levied on income from real estate and income from privately let furnished accommodation: Social welfare levy (Prélèvement social)=2%, General social welfare contribution (Contribution sociale généralisée)=8,2%, Welfare debt repayment levy (Contribution pour le remboursement de la dette sociale)=0,5%, Contribution additionnelle au prélèvement social=0,3%, Contribution additional pour le financement du RSA=1,1%
- 33) Solidarity Surcharge "Solidaritätszuschlag"
- 34) Local Profit Rate only for companies and partnerships
- 35) According to the recent tax law, the income distributed to the partners of the company is taxed with the rate of 40%
- 36) It can't exceed the main income tax. The increased rate is applicable on the rent income for houses over 300 m2. Until January 2000 tax-rates were 3% and 6% correspondingly.
- 37) Stamp duties, levied on the rental income from commercial rentals
- 38) Universal Social Charge (Progressive): The brackets and rates are: 0-10036: 2%, 10.036-16.016: 4% above 16016: 7%
- 39) Municipal Surcharge Tax: It is a local tax that can be levied by municipalities on an annual basis, up to a maximum limit of 1,5% of a company's taxable profit subject to IRC on the proportion of the income generated in that municipality.
- 40) This is the federal rate. The cantonal figures differ considerably. Corporations with ideological or artistic goals as well as goals of public interest and funds holding real estate property indirectly are tax-exempted. There is also a tax levied on a cantonal/communal level. The cantonal tax is higher than the federal one. Federal and cantonal tax are paid cumulative.
- 41) The brackets are 30.000£ and 1.500.000£. Fixing €/£=0,85 (ECB 15-3-2011).

2.1. The comparison charts for R.E.P. income tax in Europe

In previous tables, we saw the income tax scales and rates, but in order to understand the different income-tax systems, it would be useful to study some simple examples, which will not only demonstrate the particularities of the income tax system in each country, but also will help us compare the systems amongst them. The problem is that some tax authorities impose additional taxes on income in general⁴² or especially on r.e.p. income⁴³, that essentially change the final taxation. These taxes should be taken into consideration to help us shape a precise image.

The following "chart 1", shows how a person with an annual income of 25000, 50000 and 100000€ correspondingly, will be taxed in each country. We consider that his whole income derives from his real estate property. In this chart the income tax as well as all the additional taxes has been included. The figures indicate that Belgium, Austria and Ireland have the highest total income tax burden for higher incomes, Germany, Belgium and Slovenia have the highest total income tax burden for middle incomes and Germany, Denmark and Slovenia, the highest total income tax burden, for lower incomes. On the other hand, Bulgaria, Czech Rep. and Cyprus, have the lowest income tax burden for higher and middle incomes,

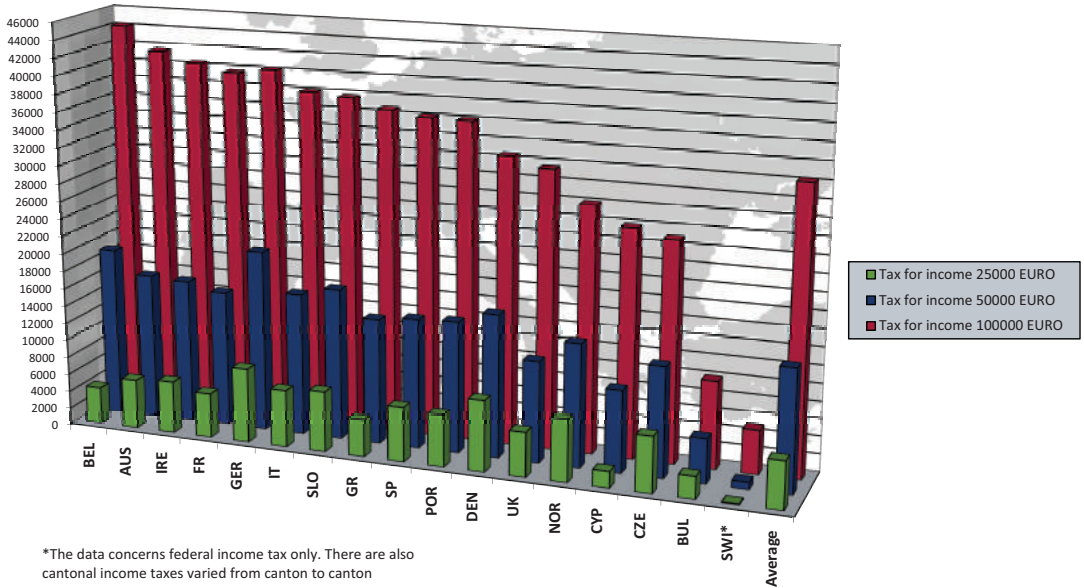
and Bulgaria, Cyprus, Greece and Belgium, the lowest income tax burden for lower incomes. Furthermore, the following "chart 2" shows the different tax treatment of the same income (100.000€) amongst individuals and companies. Especially in case of Cyprus and Greece, the chart shows the income tax for S.A. companies because personal companies have different (more favourable) tax treatment. The figures indicate that France, Belgium, Greece and Spain have the highest total income tax burden for companies. On the other hand Bulgaria, Slovenia and Ireland (as well as Cyprus in case of personal and limited companies) have the lowest income tax burden for companies.

Moreover France and Cyprus (in case of S.A. companies) are the only countries where the tax for the companies is higher than the tax for individuals, while in Bulgaria the tax for companies and for individuals is equal and the lowest in Europe in both cases. Finally, we must stress that in Ireland, Slovenia and Austria there are the highest divergences amongst the taxation of individuals and companies. In Ireland the individuals must pay 21.611€, in Slovenia, 19.749€ and in Austria 16.585€ more than a company, for the same income of 100.000€.

42) Belgium, Cyprus, Denmark, France, Germany, Italy and Ireland

43) France and Greece

UIPI Taxation Committee – Vienna, May 2011



A Comparative Study on Real Estate Property Taxation in Europe

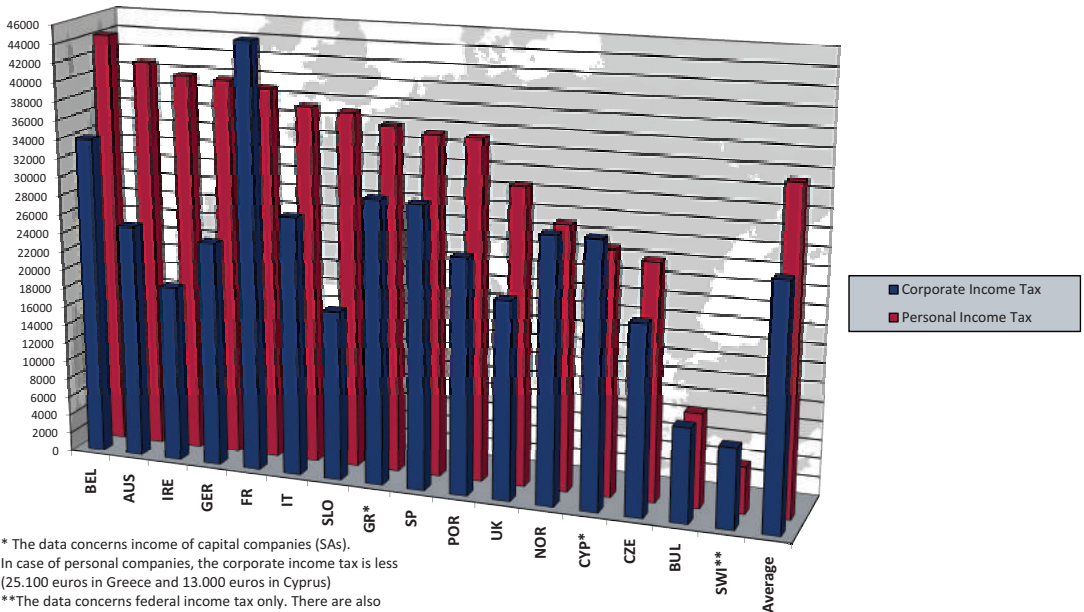


TABLE 3: OWNER OCCUPIED HOUSING TAXATION IN EUROPE

Tax on the indirect profit of someone who lives in his own house and doesn't pay rent

COUNTRY	RATE	CALCULATION BASE	TAX EXEMPT LIMIT
AUSTRIA		NO	
BELGIUM	40-50%	Cadastral revenue	YES ⁴⁴
BULGARIA		NO	
CYPRUS		NO	
CZECH REP.	No information	Area (per Square Metre)	
DENMARK		NO	
FRANCE ⁴⁵	1,02-5,29%	Estimated rental value ⁴⁶	3.985€ (annual income)
GERMANY		NO	
GREECE	Income Tax	Estimated income ⁴⁷	
IRELAND		NO	
ITALY		NO	
NORWAY		YES (No other information)	
POLAND		NO	
PORTUGAL		NO	
SLOVENIA		NO	
SPAIN	0,4-1,10%	Estimated value ⁴⁸	None
SWEDEN		NO	
SWITZERLAND	Cantonal	Estimated rental value	YES ⁴⁹
UNITED KINGDOM		NO	

44) Some tax deductions are applicable: Deduction of 10% per child if minimum 2 protected children, deduction of 10% for handicapped persons, deduction of 25% for small ("modest") properties.

45) In France, "taxe d' habitation" is applied to all occupiers, owners or not owners

46) Valeur locative

47) According to the recent tax law, every house has an "estimated annual maintenance cost" proportional to its area, which is, for houses up to 80m²=30€/m², for houses from 81-200 m²=80€/m², for houses from 200-300 m²=150€/m², for houses bigger than 300 m²=300€/m². This estimated cost is increased by 40% if the house is situated in a region with cadastral value over 2.800€/m², by 70% if the house is situated in a region with cadastral value over 5.000€/m², and by 20% if the house is detached. The annual income of each taxpayer must be higher than the above mentioned "estimated cost", otherwise he is taxed upon this "estimated cost"

48) Valor catastral de la vivienda

49) Owner occupied housing is taxed on cantonal and federal level but tax rate varies from canton to canton.

3. CAPITAL TAXATION

3.1. The different forms of capital taxes on Real Estate Property

Capital consists of various patterns; cash, jewelry, art works, stocks, and real estate. The taxes concerning the immovable property are the most common types of capital taxation all over Europe. They can be formed in three main ways.

The most characteristic type of real estate property capital taxation is the ownership taxation, which refers to an annual tax, regardless of the countries' differences. Ownership taxation is being imposed by different tax authorities and according to various systems. It is always an annual tax calculated on the owned real estate's property value or on the estimated income even if it does not correspond to the real one. The thresholds and rates of this tax do not follow some general rules; as a result one could deal with progressive scales, single rates, even special rates imposed per measure of area.

Donation and inheritance taxes are the second and most common type of capital taxation. This category applies almost everywhere in Europe and follows -with few exceptions- exactly the same rules. At this point, it should be mentioned

that donation and inheritance taxes are imposed by the central tax authorities; they are organized with progressive scales and can be diversified under the relation terms between testator and inheritor or benefactor and recipient correspondingly. These taxes are imposed on r.e.p. with the same brackets and rates as on any other form of capital that can be inherited or donated.

The third type of capital taxation on real estate property is the capital gains tax. The objective of this tax is the capital value increase, especially during the period that has elapsed between the time of the capital's purchase and the time of its sale. This tax can be imposed by a single rate or according to a progressive scale. In most countries, capital gains are taxable according to the system of income tax.

However, according to OECD data, all those taxes seem to have limited significance to national taxation systems, and little contribution to GDP as well as the total taxation revenues. This fact proves that property taxation serves social or politic interests under cover of "redistribution of wealth" rather than the fiscal policy itself. Property taxes contribution to GDP and total tax revenues is shown at the next tables:

Taxes on property as percentage of GDP

COUNTRY	1965	1975	1985	1990	1995	2000	2005	2006	2007	2008
AUSTRIA*	1,3	1,1	1,0	1,1	0,6	0,6	0,6	0,6	0,6	0,5
BELGIUM	1,2	1,1	1,1	1,4	1,5	1,9	2,1	2,3	2,2	2,2
CZECH REPUBLIC					0,5	0,5	0,4	0,4	0,4	0,4
DENMARK*	2,4	2,3	2,0	1,9	1,7	1,6	1,9	1,9	1,9	2,0
FRANCE*	1,5	1,8	2,5	2,7	2,9	3,1	3,4	3,5	3,5	3,4
GERMANY	1,8	1,3	1,1	1,2	1,0	0,8	0,9	0,9	0,9	0,9
GREECE*	1,7	1,9	0,7	1,2	1,2	2,1	1,3	1,4	1,4	1,5
IRELAND	3,8	2,8	1,4	1,5	1,5	1,7	2,4	2,9	2,5	1,8
ITALY	1,8	0,8	0,8	0,9	2,3	2,0	2,0	2,1	2,1	1,9
NORWAY	0,9	0,9	0,8	1,2	1,1	1,0	1,1	1,2	1,2	1,2
POLAND					1,0	1,2	1,3	1,3	1,2	1,2
PORTUGAL	0,8	0,5	0,5	0,7	0,9	1,2	1,2	1,2	1,4	1,3
SLOVENIA					0,6	0,7	0,6	0,6	0,6	0,6
SPAIN*	0,9	1,2	1,6	1,8	1,8	2,2	3,1	3,2	3,0	2,3
SWEDEN	0,6	0,5	1,1	1,8	1,3	1,8	1,4	1,4	1,2	1,1
SWITZERLAND	1,7	1,9	2,4	2,3	2,3	2,8	2,3	2,4	2,3	2,2
UNITED KINGDOM	4,4	4,4	4,4	2,9	3,4	4,2	4,3	4,5	4,5	4,2
AVERAGE:	1,8	1,6	1,5	1,6	1,5	1,7	1,8	1,9	1,8	1,7

Taxes on property as percentage of total taxation										
COUNTRY	1965	1975	1985	1990	1995	2000	2005	2006	2007	2008
AUSTRIA*	4,0	3,1	2,4	2,7	1,5	1,3	1,3	1,4	1,4	1,3
BELGIUM	3,7	2,9	2,5	3,4	3,4	4,2	4,8	5,1	5,1	5,0
CZECH REPUBLIC					1,4	1,4	1,2	1,2	1,2	1,1
DENMARK*	8,0	6,1	4,3	4,2	3,5	3,2	3,7	3,8	3,8	4,1
FRANCE*	4,3	5,1	5,8	6,3	6,7	7,0	7,8	7,9	8,0	7,8
GERMANY	5,8	3,9	3,0	3,4	2,8	2,3	2,5	2,5	2,5	2,3
GREECE*	9,7	9,7	2,7	4,6	4,1	6,2	4,2	4,3	4,4	4,6
IRELAND	15,1	9,7	4,0	4,7	4,5	5,5	7,9	9,0	8,2	6,4
ITALY	7,2	3,3	2,5	2,3	5,6	4,6	5,0	5,0	4,9	4,3
NORWAY	3,1	2,3	1,9	2,9	2,8	2,3	2,6	2,7	2,8	2,7
POLAND					2,8	3,5	4,0	3,7	3,4	3,6
PORTUGAL	5,0	2,5	1,9	2,7	3,0	3,5	3,5	3,6	3,8	3,6
SLOVENIA					1,4	1,7	1,5	1,6	1,6	1,6
SPAIN*	6,4	6,3	5,9	5,5	5,5	6,4	8,6	8,8	8,1	6,8
SWEDEN	1,8	1,1	2,3	3,5	2,7	3,4	3,0	3,0	2,4	2,3
SWITZERLAND	9,9	8,0	9,3	8,9	8,2	9,3	8,0	8,0	7,9	7,5
UNITED KINGDOM	14,5	12,7	12,0	8,2	10,0	11,6	12,0	12,3	12,6	11,6
AVERAGE:	7,0	5,5	4,3	4,5	4,1	4,6	4,8	4,9	4,8	4,5

*The total tax revenues have been reduced by the amount of any capital transfer that represents uncollected taxes. The capital transfer has been allocated between tax headings in proportion to the reported tax revenue.

**Source OECD

3.2. The problem of real estate property evaluation

The most important matter concerning capital taxation is the estimation of property value. This is the main difference between capital taxes and taxes on cost (transfer tax, V.A.T.) in case of which there is a transaction with specified price that consists the tax base. Contrarily, in cases of capital taxation, there isn't actually a transaction, so someone (tax authorities, taxpayer himself) has to estimate property value.

In many countries, the existing evaluation systems practically underestimate the value of r.e.p. fixing prices. This is necessary for these systems to work efficiently, otherwise taxpayers -whose property is actually worth less than what the system indicates- have practically no chance to obtain a favourable court decision. The equalization of tax evaluations to the market prices would require a drastic reduction of the tax rates,

a policy that tax authorities would be extremely reluctant to accept.

The European practice upon matters of real estate property evaluation uses different methods to estimate the property value. The two most common of them are:

- a. Market value. This value depicts the transfer price, which the real estate property had, if its owner would sell it. The market value is calculated by estimating comparative factors and administrative data related to previous sales of a particular kind of real estate in a specific area.
- b. Cadastral value. This method emanates by the apprehension that the final value of immovable property is the result of some fixed factors, (such as the real estate's area, the antiquity, the region, the marketability of the road where a building is situated etc.) which have to be determined by the tax authorities.

3.3. Annual real estate property ownership taxation

As we have already mentioned, in most countries ownership taxes are applied on the real estate property value. Austria and UK are the only countries without a property tax. The taxable value is calculated on the basis of different systems by national tax authorities for the whole of the country. If there is municipal ownership taxation, local authorities adopt the value as having been calculated by the State.

Regarding the configuration of thresholds and rates we can identify three methods:

- a. Organization according to progressive scale.
In general as it happens with income taxation, ownership tax follows various thresholds each one having a different rate. The lower thresholds corresponded to rather low rates that do not usually exceed 0.5%.
- b. Taxation with a single rate. According to this system the total owned property above the tax-free threshold -if there is one- is taxed with the same tax-rate that is usually adapted to greater properties, resulting in over-taxation of small landlords.
- c. Finally in Czech Rep. and Poland, ownership taxation is calculated by a fixed amount of money per measure of area of taxable real estate.

At this point it can be claimed that in all countries exceptions and relieves are applicable in case of married people, families with many children or for some categories of real estate such as agricultural and forestland, buildings of historic value etc.

3.4. Taxation on donations and inheritances

As any other capital tax, the taxes at death and on gifts are calculated upon the value of transferred property. If the State has formed a system of real estate property value estimation, then it applies also for donation and inheritance taxes. Germany and Portugal are the only countries with different calculation methods for the real estate property value as an object of ownership

tax rather than as an object of inheritance and donation tax.

Of course the benefactor's expectation for the continuity and the fruitfulness of his activity via the transfer of his capital to his/her descendants should be taken into account by tax authorities.

Moreover the closer relation the beneficiary has with his testator or donator, the more possible for the former to play a particular role in the accession and conservation of the transferred capital. Otherwise close relatives will be the ones to suffer more from the death of their testator and in most cases, they are those who were looking after him during his last years.

Actually, differentiation of transferred capital tax treatment in accordance with the family tie between the inheritor (or donator) and the beneficiary (or recipient), is well known in national tax legislations. The favorable treatment of transferred capital can be materialized in three different ways.

- a. Forming of wider thresholds. The result of this practice is that a larger mass of capital comes under a lower threshold, therefore a lower tax-rate.
- b. Forming of lower rates. This is the most common method of favorable treatment. There are different-lower rates for the closest relatives than others or strangers.
- c. Institution of a higher tax-free limit. According to this method the inheritor or donator can leave most of his property to close relatives without rendering them liable for the payment of this tax.

Actually only closest relatives take advantage of these adjustments, in most cases children and spouses. These three methods of favorable treatment are known in most European countries. Yet the most remarkable data is that in Austria, Cyprus, Slovenia and Sweden the favourable treatment of transferred property reaches full abolition of the tax for some relatives or -in the case of Austria and Sweden- for all the beneficiaries! For further information about the favorable

treatment of the transferred capital consult the relative table.

3.5. The taxation of capital gains

Capital gains tax is the most common form of capital taxation adopted by all European countries except Denmark and Greece, where it was abolished since 6 months. As a base of calculation is considered the **difference between the purchase price and the sale price of the property**. The **taxable amount is reduced according to some factors** different from country to country, such as the cost-of-living index, cost of renovation or any other improvement etc.

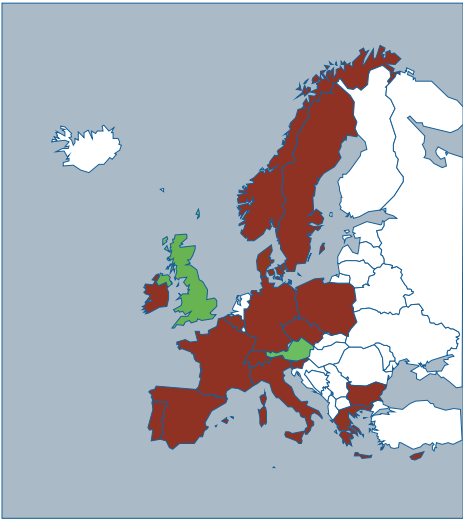
In some countries there is different tax-treatment between the short- and long-term gains. For example in France, Italy, Norway and Poland as well as Austria and Germany only short/mid-term gains are taxable (1-10 years from purchasing of property). Where both these kind of gains are taxed, the charging may differ between them by imposing a lower tax-rate on long-term gains, or by imposing tax on less than their full amount.

The most important argument about taxation of capital gains is **whether they must be treated as**

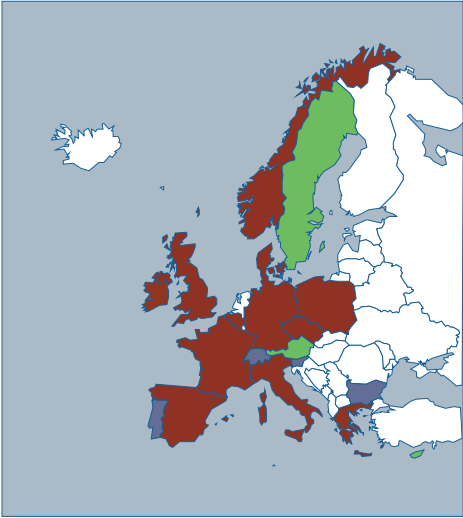
income or not. Both these approaches are known in European countries. Where the capital gains are taxed as income, they come under the same scale with income tax. On the other hand where capital gains are taxed independently of income, high -and usually single- rates are adopted.

In order to realize the functioning of capital gains tax, we try to study a simple example in chart 3. This chart shows the exact tax for capital gains of 50.000€ by an individual in each one of the eighteen participated countries. The tax is calculated separately in three different cases, supposing that the sale of property took place in the same year of its purchasing as well as five and ten years after its purchasing. Furthermore, in order to assess the influence of the different tax deductions and exceptions to the final tax burden, we suppose that the sold property had a maintenance cost of 500€ per year, as well as its property owner had accomplished a renovation with a cost of 10.000€. Finally, in case of Cyprus, France, Spain, and Portugal (where the yearly inflation rate is deductible), we suppose that the inflation is fixed at the average rate of year 2011 according to Eurostat data (February 2011).

Map 1: Annual r.e.p. ownership taxation



Map 2: Donation and inheritance taxation



Map 3: Capital gains taxation

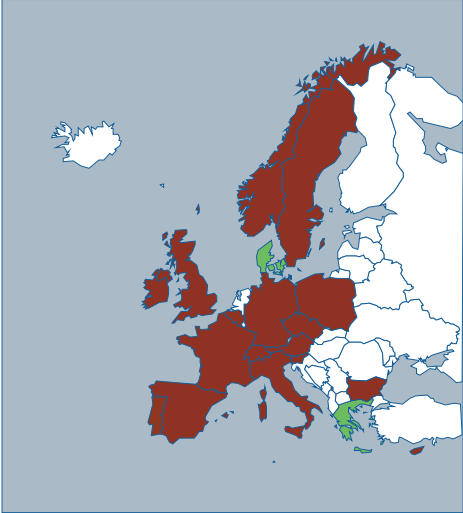
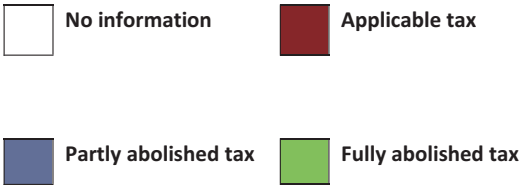


TABLE 4: PROPERTY EVALUATION FOR TAX PURPOSES IN EUROPE

COUNTRY	METHOD	DIFFERENCE BETWEEN ESTIMATED AND MARKET VALUE
AUSTRIA	a. The real value method which considers the special structural incidents and valuation possibilities. b. The income approach to valuation considers the height of the rents.	No main difference
BELGIUM	Comparison is the main system used by the authorities in order to estimate the value of property	No main difference
BULGARIA	The market values provided by other appraisers different than the municipal authorities cannot be used for transfer of ownership of property	The estimated value is almost 50% of the market value
CYPRUS	a. The Land Registry has carried out valuations as at 1/1/1980 for the whole of Cyprus. Transfer fees are based on valuations (of open market value) by the Land Registry at the time of the transfer. b. For capital gains tax purposes there is a system of self-assessment.	The estimated value is far below the market value
CZECH REP.	For all the r.e.p. there is a system of calculation on the base of national law about prices of properties.	Usually the difference is not higher than 10-30%, but in special cases there are differences much higher, but in both directions.
DENMARK	For all the r.e.p. there is a system of calculation based on local realised prices.	The estimated value is almost 90-100% of the market value.
FRANCE	The tax base is the cadastral value at 1 st January 1970, with an allowance of 20%. The cadastral value is assessed according to normal rent steps or otherwise assessed by comparison using valuation tariffs. It is increased each year by applying standard coefficients. Local authorities have the possibility to increase the tax base for certain potential building land. For the application of "tax of furnished accommodation", the tax-base is calculated on rentable cadastral value assessed at 1 st January 1970, updated using a departmental rate and increased every year by application of a flat-rate factor. Cadastral income is equal to half the rateable value assessed at 1st January 1970 by comparison with similar premises or by direct assessment	No information available
GERMANY	a. For the application of real property tax: Rateable value (different system in newly formed German states). b. For the application of Gifts & Inheritance tax: Market value oriented value	Usually high difference
GREECE	For all the r.e.p. in the urban areas and tourist resorts there is a system of calculation of its value called "objective system", frequently readjusted. In terms of the rural land, the tax authorities estimate freely its value.	In the expensive areas the estimation is 90-100% of the market value. The estimated is value is higher than market value in some cases of commercial property. In the inexpensive and popular areas the estimation is 50-60% of the market value
IRELAND	There is currently no mechanism for valuing property for R.E.P. residential tax purposes. Commercial is based on rateable value assessed by the Department of Finance Valuation Office and applied by Local Government.	No main difference
ITALY	Every real estate property, in the urban areas, has a class about the destination and the feature. Consequently the cadastral value, applying a cadastral survey are fixed. The cadastral surves are promulgated on the official gazette	No main difference
NORWAY	a. As a base for state property tax, national authorities calculate property values annually based on market information. b. As a base for local property tax, local authorities calculate property every 10 year. The nominal value is not adjusted in the years between.	
POLAND	The value of R.E.P. is estimated by the taxpayer himself or by an expert.	The estimated value is almost the 10%-20% of the market value.
PORTUGAL	a. The value of rural property is 20 times its annual income. b. The urban property has a very complex system of evaluation, using the formula $Vt = Vc \times A \times Ca \times Cl \times Cq \times Cv$. In consequence the patrimonial value (VT) results of a ponderation of a base value (Vc) which can be reduced or increased by the ponderation of the area (A) the use (Ca), the localization (Cl), the quality and comfort (Cq) and the age of the building (Cv).	Both systems come to closer results to the market value. The problem is that for urban property only a third of the buildings is already evaluated, so the rest has tax values far below the market value.
SLOVENIA	a. For the application of transfer tax - inheritance tax, the tax is levied based on taxpayers declaration. In above mentioned cases, if tax authority is in doubt, it may ask for an evaluation by an expert. b. For the application of Property tax, the estimated value calculated by local authorities	Transfer tax - Inheritance tax: Close to the market value Property tax: Much lower than the market value
SPAIN	Cadastral value of property will be objectively estimated in accordance with data deriving from the Cadastral Register.	The cadastral value is almost the 50% of the market value.
SWEDEN	Every three years, property owners have to declare their property. A form must be filled in where the standard of the house is described. Standard is one factor but more important is the price level of private homes in the area.	The estimated value is supposed to be 75% of the market value, but for individual houses, the deviation is greater.
SWITZERLAND UNITED KINGDOM	Different systems depended on Canton Above taxation is based on sale value as related to the Land Registry therefore valuation is implied by contract price. In relation to Council Tax banding (not related to property ownership) the Valuation Office Agency are responsible.	No information available No information available

TABLE 5: ANNUAL TAXATION OF R.E.P. OWNERSHIP IN EUROPE

COUNTRY	TAX NAME	TYPE OF R.E.P.	TAX BASE	RATE	EXEMPTIONS	NAT.	REG.	MUN.
AUSTRIA	NO							
	Précompte immobilier	Any R.E.P.	Cadastral revenue	40-50%	YES ⁵⁰			
	Real Estate tax	Any R.E.P.		0.1-2.5%	86€ ⁵¹			
	State Property Tax	Any R.E.P.	Cadastral value	0.25-0.4% ⁵²	170.860€ ⁵³			
CYPRUS	Local Property Tax	Any R.E.P.	Cadastral value	Up to 1%	NO			
	Real Property Tax	Dwelling houses, Developed land, Apartments	Square meter	0.08€-0.41€ ⁵⁴	Depends on location and local authority			
CZECH REP.	Real Property Tax	Industrial –Businesses	Square meter	0.40€-2.05€	Depends on location and local authority			
	Property Tax	structures			local authority			
DENMARK	Property Tax	Any R.E.P.	Cadastral value	1-3%	YES ⁵⁶			
FRANCE	Municipal Land Tax	Land (without buildings)	Cadastral value	3.4%				
	Land tax	Land (without buildings)	Cadastral value	0-10% (2.3% on average)				
	Property tax	Buildings	20% of the cadastral value	1.02%-5.29%	YES ⁵⁷			
	Property Tax	Furnished accommodation	50% of the cadastral value	1.02%-5.29%				
GERMANY	impôt sur la fortune	Any R.E.P.	50% of the cadastral value	0.55% -1.80% ⁵⁸				
	Property Tax	Any R.E.P.	Cadastral value	Former Federal Area: 2.6-3.5% New Laender: 5-10% Agricultural & Forestry undertakings: 6% multiplied by value and local rate of assessment	NO			
GREECE	State Property Tax	Urban property	Cadastral value	0.1-2% ⁵⁹	400.000€			
	Local Property Tax	Urban property	Cadastral value	0.025-0.035%	NO			
	Special Property Tax ⁶⁰	Urban property	Cadastral value	15%				
IRELAND	Rates	Commercial property	Cadastral value					
	Second Home Tax ⁶¹	Residences		20€ per property				
ITALY	Communal Property Tax	Any building	Cadastral value	0.4-0.7%	First domicile			
	State Property Tax	Any R.E.P.	25% of market value	1.1%	87.500€ ⁶²			
	Local Property Tax	Any R.E.P.	10-100% of market value	0-0.7%	125.000€/ building ⁶³			
NORWAY	Property tax	Residential property	Square meter	0.09€-0.16€ ⁶⁴				
	Property tax	Commercial property	Square meter	0.19€-5.12€ ⁶⁵				
POLAND	Local Property Tax	Land	Cadastral value	0.8%	NO			
		Recently evaluated buildings	Cadastral value	0.2-0.4%	NO			
		No recently evaluated buildings	Cadastral value	0.4-0.7% ⁶⁶	NO			
SLOVENIA	Charge for the use of building ground	Vacant and constructed building land	Cadastral value	No information available	YES ⁶⁷			
SWEDEN	Property tax	Detached houses	Cadastral value	0.75%	Max. 722€/year ⁶⁸			
	Property Tax	Condominiums	Cadastral value	0.4%	Max. 144€/year ⁶⁹			
SPAIN	Property tax	Urban property	Cadastral value	0.4-1.1%				
	Property Tax	Rural property	Cadastral value	0.3%				
SWITZERLAND	Wealth Tax	Any R.E.P.	Cadastral value	Cantonal				
	Real Estate Tax	Any R.E.P. in some Cantons	Cadastral value	Cantonal				
UN. KINGDOM	NO							

To Table 5

- 50) There is a deduction when the property is involuntarily unoccupied during at least 3 months. The owner must prove that he has been trying to rent or sell it (contract with an agency, publicity). The deduction depends on the number of months without occupation. For instance 6 months of inoccupation = deduction of 50 %. On the same time, there are extra taxes on unoccupied dwellings. These taxes apply when the inoccupation is not due to circumstances which could not be avoided.
- 51) 1680BGN. Fixing €/BGN=1,95 (ECB 15-3-2011). Moreover, there is a deduction of 50% on R.E.P tax for main residential property. If R.E.P. tax is paid in advance for the whole year there is a discount of 5%
- 52) There is a progressive scale. 170.861-427.150€=0,25%, 427.151-854.300€=0,35%, above 854.300€=0,40%
- 53) Some exemptions are also applicable for buildings under preservation order, agricultural land used for agriculture or animal husbandry by a farmer, property situated in inaccessible or depressed areas and property belonging to a missing person under administration.
- 54) 0,2-1CZK. Fixing €/CZK=24,35 (ECB 15-3-2011)
- 55) The higher tax-rate is levied on property of value above 405.330€ - 3040000DKK. Fixing €/DKK=7,50 (ECB 15-3-2011)
- 56) Persons over 65 years old receive a deduction in property value tax of 0,4% of the base rate, with a maximum of 800€ (6.000DKK) for homes and 266€ (2.000DKK) for summer homes. The reduction itself is however reduced according to income: 5% of that part of the owner's personal income with the addition of positive net capital income and positive dividend income which exceeds a base rate of 921.375€) (160.300DKK) for single persons and 32.880€ (246.600DKK) for married couples. There is also a deduction for owners who have bought the property before July 1, 1998. This deduction is 0,2% of the base rate. Furthermore there is a deduction of 0,4%, with a maximum of 161€ (1.200DKK) which applies for owner-occupied housing except flats.
- 57) There are a two-year exemption for new housing instructions, fifteen-year exemption for social-benefit buildings such as low-rent dwellings and a ten-year exemption for dwellings financed by loans principally supported by the state.
- 58) A progressive scale is applicable. 790000-1290000€=0,55%, -2530000€=0,75%, 3980000€=1,3%, 16540000€=1,65%, above 16540000€=1,80%
- 59) There is a progressive scale. 400000-5000000€=0,1%, 500000-6000000€=0,3%, 600000-7000000€=0,6%, 7000000-8000000€=9%, 800000-50000000€=1%, above 50000000€=2%
- 60) Special property tax concerns only i.e.p. belonging to companies with unknown shareholders (e.g off-shores)
- 61) This tax is charged on all residences that are not a property owner's principal private residence. The tax is expected to be doubled shortly.
- 62) 700000NOK. Fixing €/NOK=8,00 (ECB 15-3-2011)
- 63) 1000000NOK. Fixing €/NOK=8,00 (ECB 15-3-2011)
- 64) 0,39-0,65PLN. Fixing €/PLN=4 (ECB 15-3-2011)
- 65) 0,77-20,51PLN. Fixing €/PLN=4 (ECB 15-3-2011)
- 66) The tax rate depends on municipality. For empty buildings the tax rate is double and for ruined buildings the tax rate is triple. For buildings belonging to residents in tax havens the tax-rate is 5%
- 67) There is an exemption for new buildings or apartments for five years. There is also a deduction for owner occupied apartments
- 68) 6387SEK. Fixing €/SEK=8,85 (ECB 15-3-2011). For pensioners the property tax cannot exceed 4% of their income.
- 69) 1277SEK. Fixing €/SEK=8,85 (ECB 15-3-2011). For pensioners the property tax cannot exceed 4% of their income.

TABLE 6: INHERITANCE TAX IN EUROPE

COUNTRY	CHILDREN		SPOUSES		BROTHERS		STRANGERS	
	RATES	FIRST/LAST BRACKET	RATE	FIRST/LAST BRACKET	RATE	FIRST/LAST BRACKET	RATE	FIRST/LAST BRACKET
AUSTRIA	0%	Total	0%	Total	0%	Total	0%	Total
BELGIUM ⁷⁰	3-30%	50.000€ 500.000€	3-30%	50.000€ 500.000€	20-65%	12.500€ 250.000€	40-80%	50.000€ 175.000€
BULGARIA	0%	Total	0%	Total	0,4-0,8%	128.205€ ⁷¹	3,3-6,6%	128.205€
CYPRUS	0%	Total	0%	Total	0%	Total	0%	Total
CZECH REP.	0%	Total	0,5-0,81%	41.070€ 410.680€ ⁷²	1,5-2,32%	41.070€ 410.680€	3,5-6,8%	41.070€ 410.680€
DENMARK ⁷³	0-15%	34.055€ ⁷⁴	0%	Total	15%+25%	34.055€	15%+25%	34.055€
FRANCE	5-40%	7.953€ 1.779.029	0%	Total	35-45%	24.069€	60%	Total
GERMANY	7-30% ⁷⁵	75.000€ 26.000.000€	7-30%	75.000€ 26.000.000€	15-43%	75.000€ 26.000.000€	30-50%	6.000.000€
GREECE	0-10% ⁷⁶	150.000€ 600.000€	0-10%	150.000€ 600.000€	0-20%	30.000€ 300.000€	0-40%	6.000€ 267.000€
IRELAND ⁷⁷	0-25%	332.084€	0%	Total	0-25%	33.208€	0-25%	16.604€
ITALY	4%	1.000.000€	4%	1.000.000€	6%	100.000€	6-8%	Total
NORWAY	0-10%	58.750€ ⁷⁸	0%	Total	0-15%	58.750€	0-15%	58.750€
POLAND	0-7%	2.409€ ⁷⁹ 5.139€	0-7%	2.409€ 5.139€	0-7%	2.409€ 5.139€	0-12%	1.225€ 5.139€
PORTUGAL ⁸⁰	0%	Total	0%	Total	10%	Total	10%	Total
SLOVENIA	0%	Total	0%	Total	5-14%	10.000€ 400.000€	12-39%	10.000€ 400.000€
SPAIN ⁸¹	7-32%	50.000€ 800.000€	7-32%	50.000€ 800.000€	7-32%	50.000€ 800.000€	14-64%	50.000€ 800.000€
SWEDEN	0%	Total	0%	Total	0%	Total	0%	Total
SWITZERLAND	0%	Total	0%	Total	Cantonal	Cantonal	Cantonal	Cantonal
UN. KINGDOM ⁸²	0-40%	367.058€	0%	Total	0-40%	367.058€	0-40%	367.058€

70) This scale is applicable only in Brussels. There are different scale in Flanders and Wallonie

71) 250000BGN. Fixing €/BGN=1,95 (ECB 15-3-2011)

72) 1000000CZK. Fixing €/CZK=24,35 (ECB 15-3-2011)

73) Two different inheritance taxes are applicable in Denmark. Estate duty is levied at a flat rate of 15% on the net value of the estate. Inheritance tax is an additional tax on the inheritance of people other than certain close relatives of the deceased. It is levied at a flat rate of 25% on the computed taxable inheritance less the estate duty liability.

74) Fixing €/DKK=7,50 (ECB 15-3-2011)

75) There is a special tax exemption for main domicile if occupied by spouses or children. There is also a value reduction of 10% for rented flats, tax exempt amounts between 20.000 and 500.000€

76) There is a special tax exemption for property value up to 300000€ for under aged children and spouse after 5th year of marriage.

77) There is full exemption of heritage property as well as dwelling houses for any beneficiary.

78) Fixing €/NOK=8,00 (ECB 15-3-2011)

79) Fixing €/PLN=4 (ECB 15-3-2011). There is also an exemption from taxation (amongst parents, children and spouses), if taxpayers register inheritance at tax authority during 6 months.

80) Actually is not an inheritance tax, but stamp duties. There are also some special exemptions for public entities or charities.

81) There is a tax reduction 95% for main domicile.

82) 312.000£. Fixing €/£=0,85 (ECB 15-3-2011). The inheritance tax in UK (as well as the tax exempt threshold) is calculated on the whole of the inheritance.

83) This scale is applicable only in Brussels. There are different scale in Flanders and Wallonie

84) 250000BGN. Fixing €/BGN=1,95 (ECB 15-3-2011)

85) 1000000CZK. Fixing €/CZK=24,35 (ECB 15-3-2011)

86) Fixing €/DKK=7,50 (ECB 15-3-2011)

TABLE 7: DONATIONS TAX IN EUROPE

COUNTRY	CHILDREN-PARENTS		SPOUSES		BROTHERS		STRANGERS	
	RATE	FIRST/LAST BRACKET	RATE	FIRST/LAST BRACKET	RATE	FIRST/LAST BRACKET	RATE	FIRST/LAST BRACKET
AUSTRIA	0%	Total	0%	Total	0%	Total	0%	Total
BELGIUM ⁸³	3-30%	50.000€ 500.000€	3-30%	50.000€ 500.000€	20-65%	12.500€ 250.000€	40-80%	50.000€ 175.000€
BULGARIA	0%	Total	0%	Total	0,4-0,8%	128.205€ ⁸⁴	3,3-6,6%	128.205€
CYPRUS	0%	Total	0%	Total	0%	Total	0%	Total
CZECH REP.	0%	Total	1-1,62%	41.070€ 410.680€ ⁸⁵	3-4,65%	41.070€ 410.680€	7-13,6%	41.070€ 410.680€
DENMARK	15%		15%	7.575€ ⁸⁶	15%			
FRANCE	5-40%	7.953€ 1.779.029	0%	Total	35-45%	24.069€	60%	Total
GERMANY	7-30%	75.000€ 26.000.000€	7-30%	75.000€ 26.000.000€	15-43%	75.000€ 26.000.000€	30-50%	6.000.000€
GREECE	0-10%	150.000€ 600.000€	0-10%	150.000€ 600.000€	0-20%	30.000€ 300.000€	0-40%	6.000€ 267.000€
IRELAND ⁸⁷	0-25%	332.084€	0%	Total	0-25%	33.208€	0-25%	16.604€
ITALY	4%	1.000.000€	4%	1.000.000€	6%	100.000€	6-8%	Total
NORWAY	0-10%	58.750€ ⁸⁸ 100.000€	0%	Total	0-15%	58.750€ 100.000€	0-15%	58.750€ 100.000€
POLAND	0-7%	2.409€ ⁸⁹ 5.139€	0-7%	2.409€ 5.139€	0-7%	2.409€ 5.139€	0-12%	1.225€ 5.139€
PORTUGAL ⁹⁰	0%	Total	0%	Total	10%	Total	10%	Total
SLOVENIA	0%	Total	0%	Total	5-14%	10.000€ 400.000€	12-39%	10.000€ 400.000€
SPAIN	5-9%	200.000€ 600.000€	5-9%	200.000€ 600.000€	5-9%	200.000€ 600.000€	10-18%	200.000€ 600.000€
SWEDEN	0%	Total	0%	Total	0%	Total	0%	Total
SWITZERLAND	0%	Total	0%	Total	Cantonal	Cantonal	Cantonal	Cantonal
UN. KINGDOM	0%	Total	0%	Total	0%	Total	0%	Total

83) This scale is applicable only in Brussels. There are different scale in Flanders and Wallonie

84) 250000BGN. Fixing €/BGN=1,95 (ECB 15-3-2011)

85) 1000000CZK. Fixing €/CZK=24,35 (ECB 15-3-2011)

86) Fixing €/DKK=7,50 (ECB 15-3-2011)

87) There is full exemption of heritage property as well as dwelling houses for any beneficiary.

88) Fixing €/NOK=8,00 (ECB 15-3-2011)

89) Fixing €/PLN=4 (ECB 15-3-2011). There is also an exemption from taxation (amongst parents, children and spouses), if taxpayers register donation at tax authority during 6 months

90) Actually is not a tax on donations, but stamp duties. There are also some special exemptions for public entities or charities.

TABLE 8: CAPITAL GAINS TAX IN EUROPE

COUNTRY	SYSTEM	RATE	DEDUCTIONS-EXCEPTIONS			
			Inflation	Maintenance	Renovation/ Investments	Period of ownership
AUSTRIA	Income	0-50%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 years
BELGIUM	Different	16,5-33% ⁹¹	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	5-8 years ⁹²
BULGARIA	Income	10%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	YES ⁹³
CYPRUS	Different	20% ⁹⁴	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
CZECH REP.	Income	25%	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	2-5 years ⁹⁵
DENMARK	NO		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
FRANCE	Different	27,1% ⁹⁶	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	15 years
GERMANY	Income ⁹⁷	0-45%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	10 years
GREECE	NO		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
IRELAND	Different	25%	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
ITALY	Income	23-43%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 years
NORWAY	Income	28%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	1 year ⁹⁸
POLAND	Different	19%	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	5 years
PORTUGAL	Income	11,5-46,5% ⁹⁹	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
SLOVENIA	Different	20%	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	10 years
SPAIN	Different	19-21 ¹⁰⁰	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	
SWEDEN	Different	30% ¹⁰¹	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
SWITZERLAND	Different	Cantonal	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	
UN. KINGDOM	Different	18% ¹⁰²	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

91) The rate 33% is applicable if the transaction is qualified as a speculation.

92) There is no capital gain tax on the selling of the main domicile. Taxation on the capital gain of other built property applies only during first five years of ownership and the base of taxation is reduced each year. If it goes over not built property the exemption is after 8 years of ownership.

93) For individuals only there is the following tax exemptions: sale of one R.E.P. per year (owned at least 3 years), two R.E.P. per year (owned at least 5 years), unlimited number of agricultural land or sale of R.E.P. inherited or received as a gift.

94) There is full exemption for inheritances and gifts. Moreover some deduction for individuals only are applicable: a. disposal of principal private residence (subject to conditions) up to €85.430, b. disposal of agricultural land by a farmer up to €25.629 and other disposals up to €17.086. These are all lifetime deductions.

95) Sale or r.e.p. use as home after at least 2 years or any other kind of r.e.p. after at least 5 years

96) Imposition forfaitaire: 15%, Social welfare levy (Prélèvement social): 2%, General social welfare contribution (Contribution sociale généralisée): 8,2%, Welfare debt repayment levy (Contribution pour le remboursement de la dette sociale): 0,5%, Contribution additionnelle au prélèvement social: 0,3%, Contribution additionnelle pour le financement du RSA: 1,1%

97) Capital gains due to sale of r.e.p. are treated as income; no capital gain tax on the selling of owner used domicile; capital gains from sale of other assets are subject to a 25% flat tax.

98) There is a tax exempt for home owners who have owned their dwelling for at least the last year and lived there for at least one of the two last years.

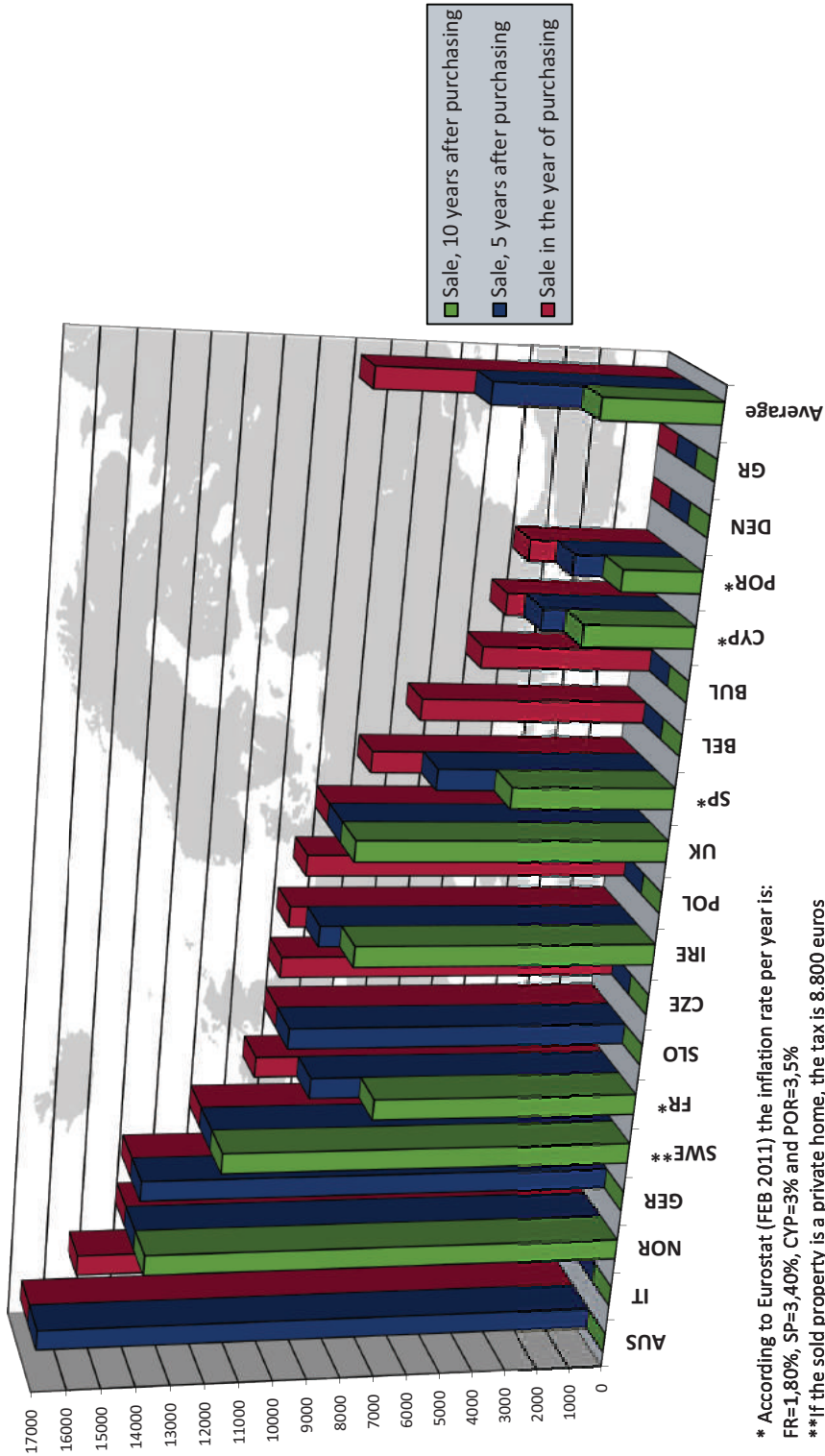
99) The capital gains are taxed as income but in case of individuals the rate applies only to 50% of the gain. There is also a full tax-exemption in case of selling the main residence, if the price of the sale is reinvested in the acquisition of another main residence, in a term of three months.

100) The only bracket is 6000€. If the profit is reinvested, there is a full exemption of the invested value.

101) For private homes, the taxpayer pays 30% on 73% of the capital gain which is equivalent to 22% of the total capital gain. If taxpayer buys another domicile, he can request for a respite with paying the tax for capital gains up to 163840€ (1450000SEK). If taxpayer has a respite he has to pay a yearly interest of 0,5% of the capital gain.

102) Annual personal allowance of 11294€ (£9.600). In relation to the disposal of certain business assets Entrepreneur's relief provides for a 10% CGT band on the first 1176470€ (£1.000.000) gains (lifetime). Private Residence Relief – if a person has lived in their home and it has been their only home all the time that they owned it, they will not have to pay Capital Gains Tax

CHART 3: TAXATION FOR 50.000 EUROS CAPITAL GAINS BY AN INDIVIDUAL
(Renovation Investments: 10.000 euros / Maintenance Cost: 500 euros per year)



* According to Eurostat (FEB 2011) the inflation rate per year is:
FR=1,80%, SP=3,40%, CYP=3% and POR=3,5%
**If the sold property is a private home, the tax is 8.800 euros
instead of 12.000 euros

4. TAXATION OF COST (CONSUMPTION TAXES)

4.1. Transfer tax

Transfer tax is the only kind of taxation adopted by all European countries. Contrary to all other taxes, transfer tax applies exclusively on real estate property. Although it seems to be another type of capital taxation, this is not true. According to tax terminology, transfer tax as well as V.A.T. and stamp duties (and some other taxes which are not related to real estate property, such as

tariffs, tobacco tax, alcohol tax etc.) are different kind of taxation of the cost.

Calculation base of transfer tax is the selling price of real estate property. In majority of European countries transfer tax is applied by a quite small tax rate. Otherwise danger entails for the transfer of immovable property to become so burdensome that the investing value of property will be retracted. Only in two countries, Belgium and Greece, transfer tax can exceed the rate of 10%.

TABLE 9: TRANSFER TAX IN EUROPEAN COUNTRIES

COUNTRY	RATE
AUSTRIA	3,5%-2% between relatives ¹⁰³
BELGIUM	5-12,5% (registration duties) ¹⁰⁴
BULGARIA	2,5%
CYPRUS	3-8% ¹⁰⁵
CZECH REP.	3%
DENMARK	-
FRANCE	7,5% ¹⁰⁶
GERMANY	3,5% (4% in Saarland, 4,5% in Berlin, Bremen, Hamburg, Niedersachsen, Sachsen-Anhalt, 5% in Brandenburg) ¹⁰⁷
GREECE	8-10% ¹⁰⁸ +3% on Transfer Tax (Municipal Transfer Tax)
IRELAND	1-2% (Stamp duties for residential properties) ¹⁰⁹
ITALY	10% ¹¹⁰
NORWAY	2,5%
POLAND	2%
PORTUGAL	1-6% (Residences) 6,5% (Other buildings), 5% (Land) 8% (Acquisitions by residents in tax havens) ¹¹¹ +0,8% (Stamp duties)
SLOVENIA	2% ¹¹²
SPAIN	8% ¹¹³
SWEDEN	1,5% (Stamp duties)
SWITZERLAND	Cantonal
UNITED KINGDOM	0-4% ¹¹⁴

¹⁰³⁾ There is a full exemption if the transferred r.e.p. value is below 1100€

¹⁰⁴⁾ In Brussels the tax basis is reduced with 60000€ for the acquisition by a physical person who's going to use the property for his main residence. The reduction is 75000€ for properties situated in areas named "espace de développement renforcé du logement et de renovation".

- 105) A progressive scale is applicable: for value 0-85.430€: 3%, 85.431-170.860€: 5% and above 170.860€: 8%. Transfer fees paid on the transfer of property to a family company are refunded after five years, provided the company still owns the property and there have not been any changes to its shareholders. Also, on the transfer of property from a family company to its shareholders, as well as on transfers between spouses, spouses and children or relatives up to third degree of kindred, transfer fees are only nominal. Transfers of immovable property by one company to another, for the purpose of re-organization, are exempt.
- 106) Departmental duty: 3.6%, Additional local tax: 1.2%, Levy for collection costs on the departmental duty: 2.5%, Additional state tax: 0.2%. The duty concerns buildings complete for more than five years, or which in the five years since completion have already been transferred to a person other than an estate agent.
- 107) There are some exemptions for: a. purchase of r.e.p. making up part of decedent's estate by joint heirs for the purpose of dividing the inheritance, b. purchase of r.e.p. by the vendor's spouse, c. purchase of r.e.p. by persons related in the direct line to the vendor and d. purchase of r.e.p. of low value not exceeding 2500€.
- 108) A progressive scale is applicable: 0-20.000€: 8% and above: 10%. There is a full exemption for the purchase of first domicile by single person up to the value of 200000€, by a married person up to the value of 250000 and by a married handicapped person up to the value of 275000€. Those values increased by 25000€ for each of the first two protected children and by 30000€ for each one of all the other children. The tax concerns land or buildings complete for more than five years, or which in the five years since completion have already been transferred for at least one time.
- 109) A progressive scale is applicable: 0-1.000.000€: 1% and above: 2%. The tax is effective for transfers of new and second hand property on or after 8 December 2010 with transitional relief for pre-existing binding contracts.
- 110) There is a deduction for the first domicile 3% + 168€ + 168€
- 111) The tax-rate for residences is progressive. There is also an exemption of value above 92.407€, for the acquisition of main domicile. There is also an exemption in the acquisitions of real estate to resale if that is the professional activity of the buyer and the resale occurs in a term of three years. Finally there is an exemption for the acquisition by credit institutions in case of default in payment of mortgages.
- 112) There are the same exemptions as Germany, for: a. purchase of r.e.p. making up part of decedent's estate by joint heirs for the purpose of dividing the inheritance, b. purchase of r.e.p. by the vendor's spouse, c. purchase of r.e.p. by persons related in the direct line to the vendor and d. purchase of r.e.p. of low value not exceeding 2500€.
- 113) There is a special deduction if the buyer purchases first domicile and his age is less than 32 years old.
- 114) A progressive scale is applicable: 0-147059€ (£125000): 0%, -294118€ (£250000): 1%, -588235€ (£500000): 3% and above 4%. There is a full exemption for zero carbon homes and some reductions for disadvantages areas.

4.2. Value added tax

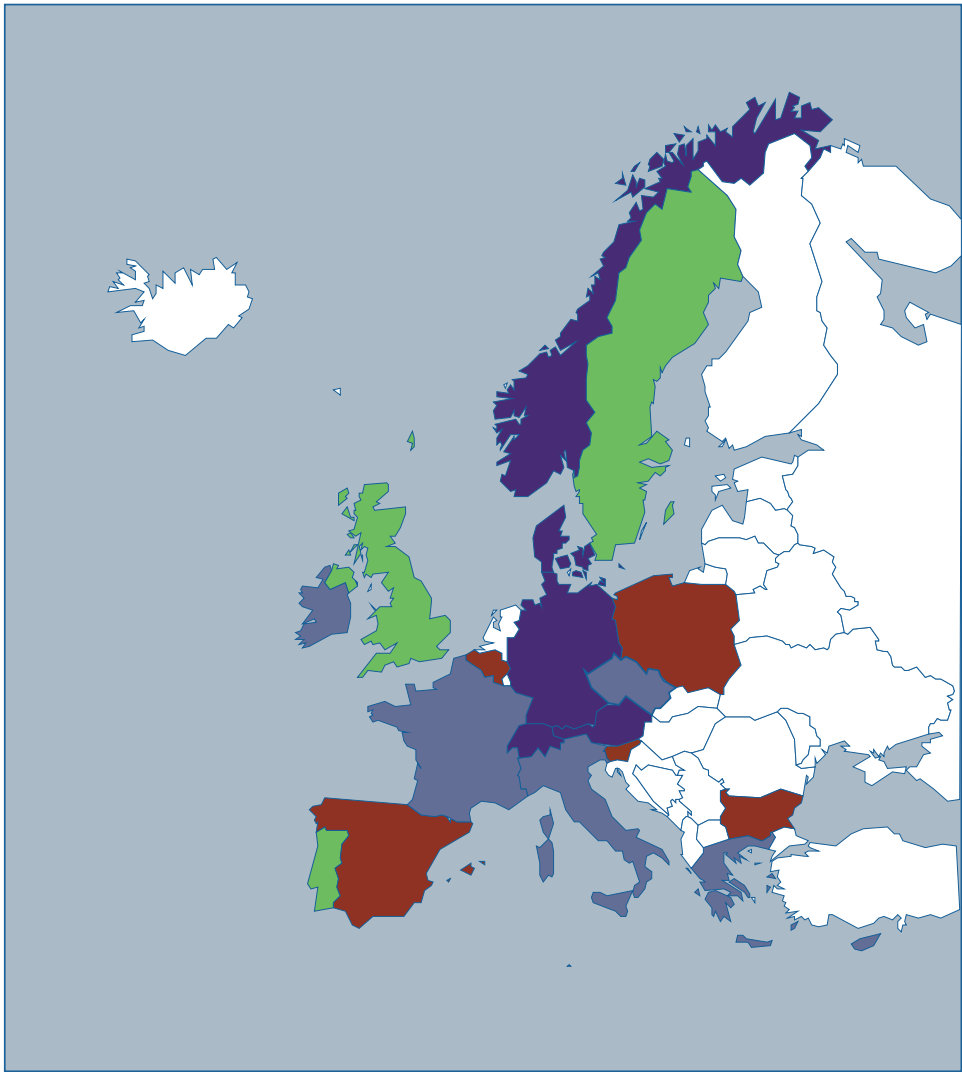
V.A.T is the only kind of tax that is governed exactly by the same rules where it is imposed. These rules are determined at international level and the countries, which adopt it, have only the discretion of appointing its rate and its object according to international tax law. Tax theory describes V.A.T. as a general consumption tax, which is imposed, on the prices of goods and services in any stage of dealing. The main characteristic of this kind of tax is its "financial neutralism" which means that inland, the akin goods meet exactly the same tax-treatment by V.A.T. Another interesting point of V.A.T. is that its base must always be effective and not estimated which means that it is necessary for the imposition of this tax to be a specifically assessed cost or value.

As regards real estate property, V.A.T can be imposed on three different sectors that are:

- a. At the stage of construction of a building, especially upon the cost of materials and building work. Some countries such as Belgium, Poland and UK have adopted other rate for construction of a new building and other (much lower) for renovation.
- b. With the chance of a transaction from a professional (e.g. constructing company) on the sale price and
- c. On the income that derives from the rent of a real estate.

Studying the table 10, we can realize that all the European countries has adopted at least one of three above-mentioned V.A.T. forms, upon real estate property. On the other hand, Italy is the only country that imposes V.A.T. on construction, transaction and rental income of immovable property.

Map 4: V.A.T on Real Estate Property in Europe



- No information.
- V.A.T. only on Construction/renovation.
- V.A.T. on Construction/renovation and Transactions.
- V.A.T. on Construction/renovation and Rental Income.
- V.A.T. on Construction/renovation, Transactions and Rental Income.

4.3. The comparison charts for Transfer Tax and V.A.T. on transactions in Europe

The following charts 4 and 5 show the lowest and the highest tax rates of transfer tax and V.A.T. on transactions. These two taxes are impossible to levy on the same transaction, due to the fact that V.A.T. concerns only the newly constructed buildings, which they are sold by a professional

constructor or developer. In order to compare the final tax burden in case of a transaction, chart 6 shows the final tax burden on a residence's purchase of value 300.000€ which is not the first or main residence of the purchaser. In this example the case of newly built residence (subjected to V.A.T.) and the old residence (subjected to Transfer Tax) are examined separately.

TABLE 10: V.A.T. ON R.E.P. IN E.U. COUNTRIES

COUNTRY	CONSTRUCTION	RENOVATION	TRANSACTIONS (from constructors)	RENTAL INCOME
AUSTRIA	20%	20%	-	10% (residential) 20% (commercial)
BELGIUM	21%	6%	21% (New buildings)	21% ¹¹⁵
BULGARIA	20%	20%	20% (New buildings)	20% ¹¹⁶
CYPRUS	15%	15%	15%	-
CZECH REP.	10-20% ¹¹⁷	10%	10% (New buildings)	-
DENMARK	25%	25%	-	25% (optional for commercial property if tenants pay VAT)
FRANCE	19,6%	5,5 ¹¹⁸	19,6%	-
GERMANY	19%	19%	-	19% (commercial)
GREECE	23%	23%	23% (New buildings) ¹¹⁹	-
IRELAND	13,5%	13,5%	13,5%	-
ITALY	10%	10%	10%	-
NORWAY	25%	25%	-	25% (optional for commercial property if tenants pay VAT)
POLAND	22%	7-22%	7% for residential property 22% for commercial property	22% (only for commercial property)
PORTUGAL	23%	23%	-	-
SLOVENIA	20%	No information	20%	20% (only for commercial property)
SPAIN	4-8-18% ¹²⁰	8-18% ¹²¹	18%	18% (only for premises)
SWEDEN	25%	25%	-	-
SWITZERLAND	8%	8%	-	8% (optional)
UNIT. KINGDOM	17,5%	5%	-	-

115) On the renting of garages and stock-“emplacements” if the rental income is more than 5580€
116) There is a full exemption in cases of agricultural land or when the tenant is an individual.
117) The rate 10% is applicable in constructions of houses for permanent living.
118) The rate 5,5% is applicable in cases of renovation the main domicile.
119) No older than 5 years old. After the 5 first year if the property hasn't sold yet, the constructor must pay the tax.
120) 8% for housing and 4% for social housing.
121) 8% for housing.

CHART 4: HIGHEST AND LOWEST TRANSFER TAX IN EUROPE

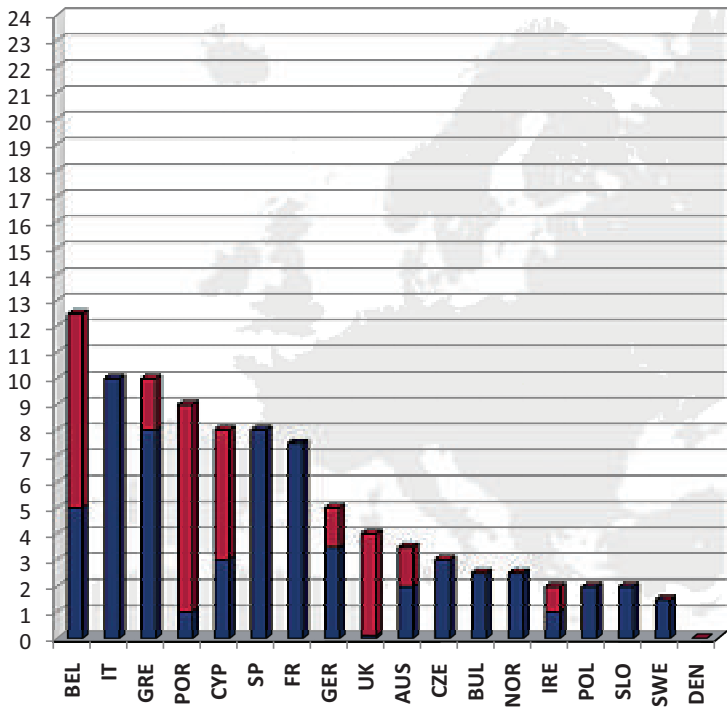


CHART 5: HIGHEST AND LOWEST V.A.T. RATES ON TRANSACTIONS IN EUROPE

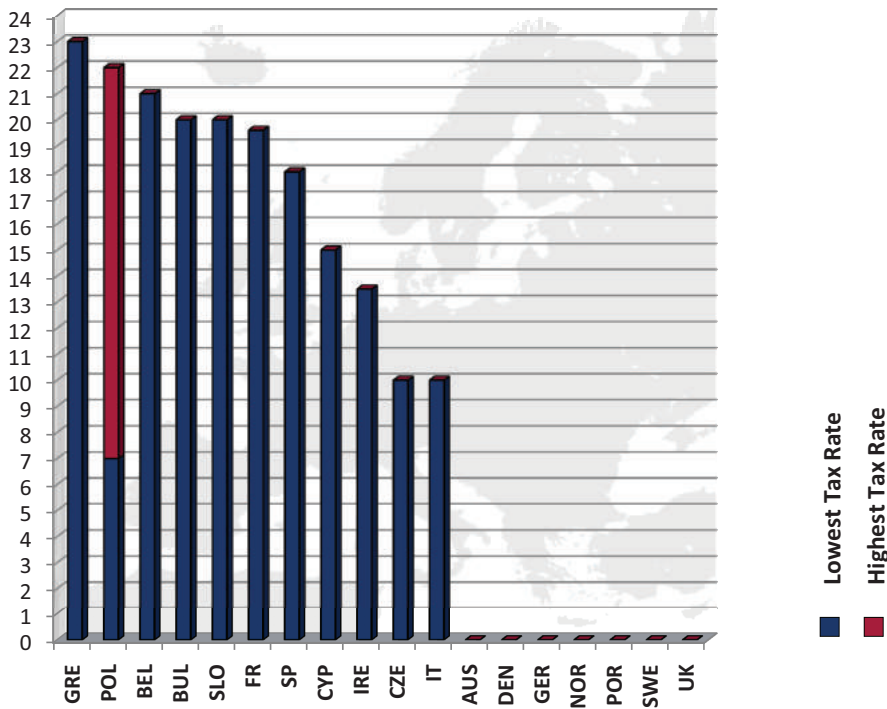
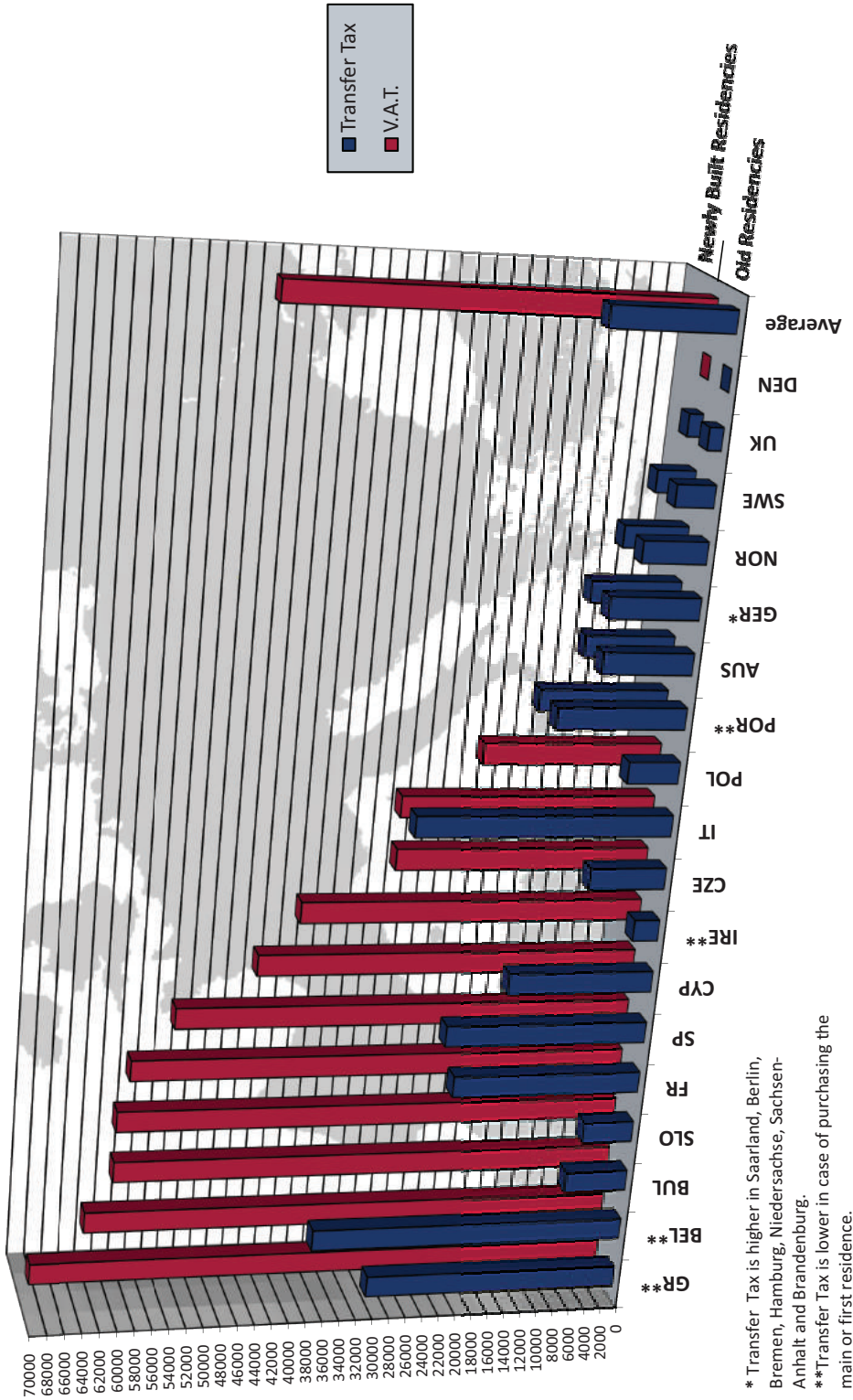


CHART 6: TAX ON THE PURCHASE OF A RESIDENCE (NEWLY BUILT OR OLD) OF VALUE 300.000 EUROS



5. CONCLUSIONS

5.1. Income taxation

The most complicated income tax system for individuals is applied in Germany. Contrary, Bulgaria, Czech Rep. Denmark and Norway are the only countries which have adopted a simple proportional system (with a single rate) for individuals. Austria and Belgium have the highest income tax-rates (50%), while Germany, France and Greece have the highest final burden of income, counting also the additional taxes (58,5-59,5%, 52,1% and 50,1%-51,6% correspondingly). Belgium, Bulgaria, Italy, Norway, Spain, and UK have no tax-exempted bracket. Therefore, Germany as well as Switzerland (concerning the federal income tax), have the highest final bracket (250.400€ and 511.719€ correspondingly), so it isn't easy for an individual to reach the highest tax rate. On the other hand, Bulgaria has -by far- the lowest income tax rate, only 10% which is applicable on the whole of the annual income. As regards corporate income tax, almost all of the examined countries (with the exception of Portugal, UK and a special case in Belgium) have adopted single rates. The highest rates are applicable in Belgium (33,99 or 35,54%), while the lowest are applicable in Switzerland, Bulgaria and Cyprus in case of personal and limited companies (8,5%, 10% and 10% correspondingly).

As we saw at chart 1, Belgium, Austria and Ireland have the highest total income tax burden for higher incomes; Germany, Belgium and Slovenia have the highest total income tax burden for middle incomes and Germany, Denmark and Slovenia, the highest total income tax burden, for lower incomes. On the other hand, Bulgaria, Czech Rep. and Cyprus, have the lowest income tax burden for higher and middle incomes, and Bulgaria, Cyprus, Greece and Belgium, the lowest income tax burden for lower incomes. Switzerland seems to have the lowest income tax burden for any income but this conclusion is quite misleading, because there are also cantonal income taxes which are not included in the charts. Concerning the corporate income tax, France, Belgium, Greece and Spain have the highest total income tax burden for companies, while Bulgaria,

Slovenia and Ireland (as well as Cyprus in case of personal and limited companies) have the lowest income tax burden for companies.

Taxation on owner occupied housing is not very common in the examined countries and it has been adopted only in Belgium, France, Greece, Spain and Switzerland.

5.2. Capital taxation

5.2.1. Annual property ownership taxation

Apart from Czech Rep. and Poland, in all the other countries where there is such a tax, it is calculated on the cadastral value of property. In Czech Rep. and Poland, the tax is calculated by a fixed amount of money per square meter. France has the greatest number of different property ownership taxes and highest tax rates (up to 5,29%). The fact that these rates are applicable on the 50% of the cadastral value doesn't change the final result. Besides France, only in four other countries Greece, Norway, Spain and Germany, the tax rates reach or exceed 1% (2%, 1,1%, 1,1%, 1% correspondingly). On the other hand in Austria and UK there is no property ownership taxation and in Bulgaria this tax is until now very low (0,01% - 0,25%), favouring investments in r.e.p.

5.2.2. Donations and inheritance taxation

First of all, Denmark and UK are the only countries where the inheritance tax is calculated on the whole of the inheritance and not on each share (Estate type) As regards the closest relatives (children and spouses) the highest tax rate (40%) is applicable in France and UK, but both those countries apply some other factors to restrain the final burden. France has adopted the higher final bracket -where 40% is applicable- for property with value above 1.779.029€ and UK has the higher tax-exempted bracket for property with value up to 367.058€. The higher final bracket in general, is applicable in Germany (property with value above 26.000.000€) and the tax rate in that case is 30%. France and Norway are the only countries where the spouse has more favourable tax treatment than children. In both these countries the spouse is tax exempted while children must pay tax. Regarding further relatives and strangers, the highest tax rate (up

to 80%) is applicable in Belgium (Brussels) and the lowest in Bulgaria (up to 6,6%). In case of donations, only in Spain (and maybe in UK) there is a different system than inheritance tax. In that case the tax rates for donations are lower than for inheritances.

Although this kind of taxation is still very common in examined countries, in many cases -more than in the past- there is a trend for abolishing it. So in Austria, Cyprus and Sweden this tax has already been abolished, while in Bulgaria, Portugal, Slovenia and Switzerland, the tax has been abolished at least for the closest relatives.

5.2.3. Capital Gains Taxation

Capital gains tax is the most common capital tax in examined countries and it is adopted in all of them but Denmark and Greece, where it was abolished one more time, on May 2010. In Austria, Bulgaria, Germany, Italy and Norway capital gains are treated as income, while in other countries, capital gains have a different tax treatment.

Amongst those countries, the highest tax rate is applicable in Sweden (30%) and the lowest one in UK (18%). Apart from the above mentioned rates, the lowest burden on capital gains is applicable in Bulgaria (10%) despite the fact that Bulgaria treats capital gains as income.

In the majority of examined countries, capital gains are taxed only in case of short or mid-term transactions, so when the property owner sales his property some years after its purchasing, is not taxed in Austria, Belgium, Bulgaria, Czech Rep., Germany, Italy, Poland and Slovenia. Only in Spain, Sweden, Switzerland and UK, the property owner is taxed whenever he sales the property. Moreover in many cases, some expenses can be deducted by the tax. The most common deductible expenses are those for the renovation of property. On the other hand only in three countries (Cyprus, France and Spain) the annual inflation is deductible.

As we saw at chart 3, Austria, Italy and Norway, have the highest tax burden for sales taken place in the same year when the property was purchased. Austria and Norway, as well as Germany, have also the highest tax burden for sales taken place 5 years after property's purchasing.

Moreover, Norway, Sweden and UK have the highest tax burden for long term gains, taken place 10 years after the purchasing of property. On the other hand, amongst the countries where capital gains tax is applicable, Bulgaria, Cyprus and Portugal have the lowest tax burden.

5.3. Taxation of Cost

5.3.1. Transfer Taxation

All of the examined countries have a transfer tax applied with a quite low tax-rate. Only three countries Belgium, Greece and Italy, have a transfer tax rate equal or higher to 10% (12,5%, 10% and 10% accordingly). On the other hand the lowest tax rates, are applicable in Sweden, Poland and Slovenia (1,5%, 2%, 2% accordingly). In many countries there are some exemptions for certain categories of property or according to some other criteria, but only in UK there is a general exemption for property of value up to 147.059€ (£125.000).

5.3.2. Value Added Tax

First of all, Belgium, Bulgaria, Slovenia, Spain and Poland are the only countries where V.A.T. is applicable on construction/renovation, transactions and rental income, while in Sweden, Portugal and UK, V.A.T. is applicable only in construction/renovation. The highest general V.A.T. rate (for construction) is applicable in Denmark, Norway and Sweden (25%) and in Greece, Poland and Belgium there are now rates over 20%. On the other hand the lowest V.A.T. rates 7,6% and 10% are applicable in Switzerland and Italy correspondingly. Four countries, Belgium, France, Poland and UK, have wisely adopted lower V.A.T. rates in case of building renovation. As regards transactions, nine countries have adopted V.A.T. The highest tax rate is applicable in Greece (23%) and the lowest in Poland (7%) in case of residential property. Finally, as regards rental income, only seven countries have adopted V.A.T. The higher tax rate is applicable in Denmark and Norway (25%) but taxpayers come under V.A.T. optional and only for commercial property if tenants pay V.A.T. On the other hand the lowest tax-rate is applicable in Switzerland (7,6% optional) and Austria in case of residential property (10%).

TABLE 10: REVIEW OF TOTAL TAXATION ON REAL ESTATE PROPERTY IN EUROPE

COUNTRY	INCOME TAX			CAPITAL TAXATION				TAXATION UPON COST			
	Personal / Corporate	Additional	Owner Occupied Housing Tax	National Property Tax	Municipal Property Tax	Inheritance / donations	Capital Gains	Transfer	V.A.T. on Construction	V.A.T. on Transactions	V.A.T. on Rental Income
AUSTRIA	✓	-	-	✓	-	-	✓	✓	✓	-	✓
BELGIUM	✓	✓	✓	-	✓	✓	✓	✓	✓	✓	✓
BULGARIA	✓	-	-	✓	-	✓	✓	✓	✓	✓	✓
CYPRUS	✓	✓	-	✓	✓	-	✓	✓	✓	✓	-
CZECH REP.	✓	-	✓	-	✓	✓	✓	✓	✓	✓	-
DENMARK	✓	✓	-	✓	✓	✓	-	-	✓	-	✓
FRANCE	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	-
GERMANY	✓	✓	-	-	✓	✓	✓	✓	✓	-	✓
GREECE	✓	✓	✓	✓	✓	✓	-	✓	✓	✓	-
IRELAND	✓	✓	-	✓	✓	✓	✓	✓	✓	✓	-
ITALY	✓	✓	-	-	✓	✓	✓	✓	✓	✓	-
NORWAY	✓	-	✓	✓	✓	✓	✓	✓	✓	-	✓
POLAND	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓
PORTUGAL	✓	-	-	-	✓	✓	✓	✓	✓	-	-
SLOVENIA	✓	-	-	-	✓	✓	✓	✓	✓	✓	✓
SPAIN	✓	-	✓	✓	✓	✓	✓	✓	✓	✓	✓
SWEDEN	✓	-	-	-	✓	-	✓	✓	✓	-	-
SWITZERLAND	✓	-	✓	-	✓	✓	✓	✓	✓	-	✓
UN. KINGDOM	✓	-	-	-	-	✓	✓	✓	✓	-	-

6. WHAT PROPERTY ORGANISATIONS SHOULD DEMAND

6.1. U.I.P.I.

The discussion about the harmonisation of various taxation systems has already started in European Commission. Obviously that kind of a procedure should start from E.U. origin taxation, such as V.A.T., then harmonisation can extend in other areas such as income or capital gains taxation. U.I.P.I. should stress to E.U. authorities that property owners are persistently mistreated, as they are already burdened by the taxes imposed by national governments and local authorities (they are often taxed two or three times on the same item!).

6.2. NATIONAL ORGANISATIONS.

National organisations of property owners should focus their attention not only on the above

mentioned issues, but they should also:

- a) Demand the reduction of the burdensome taxes levied on real estate property.
- b) Demand abolition of the taxes levied on property, if used by owner and his/her family, or due to his/her profession.
- c) Demand tax exemptions for various categories of immovable property, such as historical buildings, agricultural land or forests, any type of immovable property that cannot be used or its use is being restricted by State,
- d) Demand tax exemptions for special categories of persons, such as elderly or handicapped people, orphans, multichildren families, etc.
- e) Demand tax reductions in case of renovation of an old building, as there are nowadays in Europe more old buildings than new ones.
- f) Demand tax exemptions for as greater part of the income or the capital transferred as possible.

ACKNOWLEDGMENTS

The information contained in this comparative study was made available to the UIPI Taxation Committee and to the author by the relevant national associations – members of UIPI. Special thanks to the following contact persons:

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Special thanks to the UIPI President Mr. Stratos Paradias (GR) for his assistance in the collection of the material of this study, to the UIPI Vice president Dr. Fritz Noszek and his excellent staff for the realization of this edition, to the Assistant Sec. General Dr. Kai Warnecke (DE) for his valuable work on the questionnaire, to Mme France Bauvin (FR) for her strong belief in the importance of this work and the potential of our Committee and to Mme Emmanuelle Causse of our Brussels office for her overall assistance.

The president of the UIPI Taxation Committee, George Strovolides, Nicosia, CY
The Coordinator and author of the Comparative Study, Tassos Vappas, Athens, GR

Taxes as an investment incentive with property



By Mr. Walter Stingl (MA),
Tax Consultant

Below a description is provided of the tax-related framework conditions of investments in Austria, from the acquisition to the sale.

Acquisition

The property which is purchased is subject to property acquisition tax in total of 3.5% of the purchase price. This must also include any amounts of VAT which are to be charged. 1.1% legal fees are also due in order to record the transaction in the land registry. In the event of the gratuitous transfer of property, a land transfer tax of three times the unit value applies: either 3.5% or 2% depending on the degree of relationship. On transferring property in accordance with EU law, tax exemption without input tax relief is legally anchored in VAT law. If the delivery of the property occurs to entrepreneurs who are authorised for an input tax deduction, then VAT can also be optionally invoiced. This means that the seller avoids an input tax adjustment that may be obligatory and/or the possibility of claiming any input taxes included in the construction costs back from the tax office. Accordingly, in the event of the commercial use of property, VAT can also be avoided as a cost factor. A similar regulation, in this instance, of invoicing VAT on the replacement value, is also provided for in the event of the gratuitous transfer of ownership between living persons. On transfer in the event of death, on the basis of universal succession in civil law, the transfer of ownership process has no VAT-related impact. The inheritor, however, must comply with the obligations of the testator (obligatory input tax adjustment, etc.), in terms of both VAT law and income tax law.

The purchasing costs of a property in the context

of business assets are, the same as in the context of personal assets, to be recorded as assets, and subsequent to the deduction of the ground holding, distributed to the building's duration of use. The acquisition costs also include the incidentals to the acquisition costs, such as the Land Transfer Duty, legal costs, brokerage costs, consultation costs, etc. In the context of business assets, a minimum AfA (tax depreciation) in total of 2% is specified, in the context of personal assets with leased buildings, either 1.5% or a distribution over 67 years.

Leasing, management

The use of a property in the context of business assets offers few tax incentives in the area of renting. On the contrary. In the event of considerable maintenance expenses being incurred on the leased property, in the event of use for residential purposes and also as personal assets, a distribution over 10 years is specified. Greater levels of maintenance expenditure with business buildings that are not leased can, in contrast, be subjected to an immediate full depreciation. The current legal regulation is also disadvantageous in the context of construction expenditure. A distribution over 10 years is only specified in the event of the building being subject to the law on preserved/listed buildings. With the exception of this special case, which has almost no practical relevance, with business assets, construction costs are to be recorded as assets, and distributed to the remaining duration of use of the building.

In the case of leased properties in private ownership, large-scale maintenance expenditure on residential buildings has to be distributed over 10 years. Incentives exist for leased properties which are not used for residential purposes. In this case, an immediate full depreciation can be asserted in the year of payment.

For construction expenditure, with leased properties in private ownership, under certain conditions, it is possible to depreciate the expenditure over 15 years, in an exceptional case, over 10 years. The condition in this context is that it relates to expenditure which is incurred in buildings subject to financial settlement in terms of

tenancy law, and/or refurbishment measures with public support. The partial depreciation option for construction costs in listed buildings if the measure is confirmed in terms of the law on the preservation of historic buildings, which has already been mentioned in the context of business assets, also has a lesser level of application. In terms of VAT, in its accession treaty, Austria retained the possibility of being able to charge a reduced rate of VAT of 10% for the leasing of properties for residential purposes. This regulation, which is beneficial both to home owners and tenants, is of a far greater benefit to the tenant or the home owner than it is to the landlord. If a property is not let for residential purposes, the tax-free benefit which is standard in the EU-zone applies; on the other hand, loss of input tax deduction must be taken into account. For this reason, in general cases, the option of being able to charge a VAT rate of 20% (standard rate of tax) as specified in VAT law, is made use of by the landlord in order to prevent the loss of the input tax deduction.

Profits from the renting of properties in the private sector are subject to an income tax of 50%. In contrast with this, a rate of corporation tax at 25% is specified for corporate enterprises. In the event of full distribution, a total levy of 43.75% results, since in the event of the distribution, a capital gains tax in total of 25% must be deducted. In terms of the accumulation of profits, investing property in the business assets of a corporate enterprise is more advantageous in terms of tax.

During the leasing of private properties, under certain conditions, losses from renting and leasing can be offset with other earnings, but they cannot be carried forward. The condition is for the tax office to recognize the source of income. This is the case if over the long term (between 20 and 25 years), a total surplus can be proven towards the tax office.

Transfer of ownership

In the context of business assets, the sale of property assets is subject to the full rate of tax in terms of the difference between the recorded asset value and the proceeds on disposal of the

property. Exceptions only apply for the transfer to replacement plots of land under limited conditions. The assessment of private assets is preferred. Capital gains tax, and the according levying of income tax, only occurs if the purchase and sale occurs within 10 years, and in special cases within 15 years. A speculative period of 15 years is to be complied with if, within the first 10 years subsequent to the acquisition, partial deductions for construction expenses have been taken advantage of. In special cases of the main residence or of self-made properties in income tax law, a partial or completely income tax free sale possibility is specified if private use is proven. With leased properties, along with the extended speculative period of 15 years, with the recognition of beneficial partial deductions for construction expenses, the factors surrounding back tax are also to be complied with. These so-called 'special earnings' result in the effect of the beneficial partial deduction having to be converted to a normal depreciation, with the difference being subject to income tax in the event of a sale. This measure is intended to limit the tax-free speculation surrounding refurbished properties. In the event of a sale, in terms of VAT law, compliance is required with any applicable input tax adjustment obligation. If in the 10 years prior to the transfer, large scale repairs or construction expenses were incurred, or the purchase of the property itself was carried out with the charging of VAT, then the input tax adjustment obligation applies unless the procedure is subject to VAT. As demonstrated on purchasing, the seller may treat the property sale to which a fictitious tax relief applies as subject to VAT, and therefore avoid the input tax adjustment. Special cases such as the transfer of co-ownership shares cannot be dealt with as a result of the limited amount of time that is available. Further information is provided in the standard reference text, the *Handbuch Immobilien & Steuern* (Handbook on property and taxes) by Stingl/Nidetzky, Manz publishing house. This work provides a summarised overview of the key property-law and tax-related regulations.

Thanks for your attention.
Walter Stingl

Technische Probleme und Kosten bei Sanierung und Verbesserung von Immobilien



Dr. Michael Balak, ofi-Institut für Bauschadensforschung (IBF)

Grundsätzlich ist die Mauerwerkstrockenlegung eine wesentliche Sanierungsmaßnahme zur Verbesserung von Immobilien, da durch den ständigen kapillaren Salzlösungskreislauf im Mauerwerk ein permanenter Zerstörungsprozess im Mauerwerk stattfindet, der durch die Schadenssalzmechanismen verursacht wird. Außerdem ist die Wärmeleitfähigkeit eines feuchten Mauerwerks ca. dreimal so hoch wie die eines trockenen Mauerwerks, woraus ein hoher Heizenergiebedarf resultiert.

Aufgrund des äußerst komplexen Fachgebietes der Mauerwerkstrockenlegung und den damit verbundenen häufigen Fehlschlägen in der Praxis ist vor Durchführung von Trockenlegungsmaßnahmen eine umfangreiche Bauwerksdiagnose und die Erstellung eines Sanierungskonzeptes sowie in weiterer Folge eine Sanierungsdetailplanung erforderlich. Die Besonderheiten und Anwendungsgrenzen der verschiedenen Horizontalabdichtungsmethoden und der flankierenden Maßnahmen zur Mauerwerkstrockenlegung werden aufgezeigt. Weiters wird auf die Überprüfungsmöglichkeiten von Trockenlegungsmaßnahmen hingewiesen.

1 Einleitung

Im Hinblick auf die langfristige Erhaltung des Altbaubestandes aber auch im Hinblick auf die Reduktion der Wärmeleitfähigkeit des Mauerwerks ist die Mauerwerkstrockenlegung unumgänglich. Durch den kapillaren Salzlösungskreislauf im Mauerwerk ist nämlich ein permanenter Zerstö-

rungsprozess im Mauerwerk vorhanden. Wichtig ist jedoch, dass die Trockenlegungsmaßnahmen technisch korrekt, gleichzeitig aber auch objektspezifisch kostenoptimiert durchgeführt werden, was jedoch in der Praxis oft nicht gegeben ist.

Die vermeidbaren Bauschadenskosten, verursacht durch unwirksame oder unzureichende Trockenlegungsmaßnahmen, belaufen sich in Österreich auf ca. 50 Millionen EURO und in Deutschland auf mindestens das Zehnfache pro Jahr. Die Ursachen für die häufigen Fehlschläge liegen in der Planung, Ausführung und Materialanwendung bzw. Materialqualität.

Die Problematik bei der Planung liegt häufig darin, dass der Architekt oder planende Baumeister seine Fachkenntnis oft überschätzt und, ohne vorher aus Kostengründen eine entsprechende Bauwerksanalyse hinsichtlich Mauerwerkstrockenlegung durchführen zu lassen, Trockenlegungsmaßnahmen ausschreibt, die objektspezifisch oft nicht zielführend und/oder unzureichend sind. In der Praxis verlässt sich auch der Planer des Öfteren auf unqualifizierte oder produktorientierte Aussagen von Fachfirmen.

Probleme bei der Ausführung liegen meist darin, dass das Personal von sogenannten Fachfirmen oft keine ausreichenden Fachkenntnisse hat und daraus Ausführungsfehler resultieren. Weiters sind oft auch die Anwendungsgrenzen der verwendeten Produkte nicht bekannt. Ergänzend dazu sind noch handwerkliche Fehlleistungen zu nennen. Die örtliche Bauaufsicht kann mehrheitlich die Ausführung von Trockenlegungsmaßnahmen aufgrund von mangelnder Fachkenntnis nicht ausreichend beurteilen und somit Fehlschläge nicht sofort erkennen.

Die häufigsten Fehlerquellen bei der Materialqualität ergeben sich aus dem Umstand, dass die Produkthersteller sowohl die Planer als auch die ausführenden Fachfirmen nicht ausreichend über die Anwendungsgrenzen ihrer Produkte informieren und teilweise auch zu hohe Erwartungen in die eigenen Produkte stecken. Nicht zu unterschätzen sind die Produkte zur nachträglichen Horizontalabdichtung von Mauerwerk, die über Baumärkte vertrieben werden, welche natürlich

auch Anwendungsgrenzen besitzen, die jedoch von den „Heimwerkern“ objektspezifisch nicht überprüft werden bzw. vom Laien nicht überprüft werden können.

2 Bauwerksanalyse und Sanierungskonzept

Zur Festlegung erforderlicher Trockenlegungsmaßnahmen ist zunächst eine Zustandserhebung am Objekt durchzuführen.

Besondere Bedeutung hat die zukünftige Nutzung des Gebäudes, da davon die Intensität der Baumaßnahmen abhängt.

2.1 Probenentnahme

Um ein Gebäude hinsichtlich Feuchtigkeitszustand und Schadsalzbelastung analysieren zu können, ist die Entnahme von Ziegel-, Stein- und Mörtelproben aus dem Mauerwerk unbedingt erforderlich. Die Beurteilung eines Objektes ausschließlich mittels Messgeräten auf Basis elektrischer Leitfähigkeit oder Mikrowellentechnik ist aufgrund der meist enormen Abweichungen zur Realität nicht zulässig.

Die entnommenen Baustoffproben müssen sofort luftdicht verpackt werden, um eine Beeinflussung des Feuchtigkeitsgehaltes auszuschließen. Verwendung von Plastiksäckchen kann dabei als nicht ausreichend angesehen werden.

Grundsätzlich ist vorerst ein Messprofilraster an dem zu untersuchenden Objekt anzulegen, wobei sich der Abstand der Messprofile nach den objektspezifischen Gegebenheiten richtet.

Die Lage der Messprofile und der Entnahmeorte sind in die Grundrisspläne einzutragen (Bild 1). Die Angabe von Höhen der Probenentnahmestellen bezüglich diverser Niveaus (z.B. Fußboden-OK etc.) oder dem Geländeniveau direkt neben dem Objekt ist wichtig, um z.B. anhand von Feuchtigkeitswerten innerhalb eines Messprofils erkennen zu können, ob es sich um aufsteigende Feuchtigkeit handelt (die Feuchtigkeitswerte sinken bei zunehmender Höhe) oder aber nur um eine örtliche starke Versalzung des Mauerwerks, die die Feuchtigkeit hygroskopisch aufnimmt (die Feuchtigkeitswerte steigen z.B. bei zunehmender Höhe) bzw. auch um Kondensationsfeuchtigkeit.

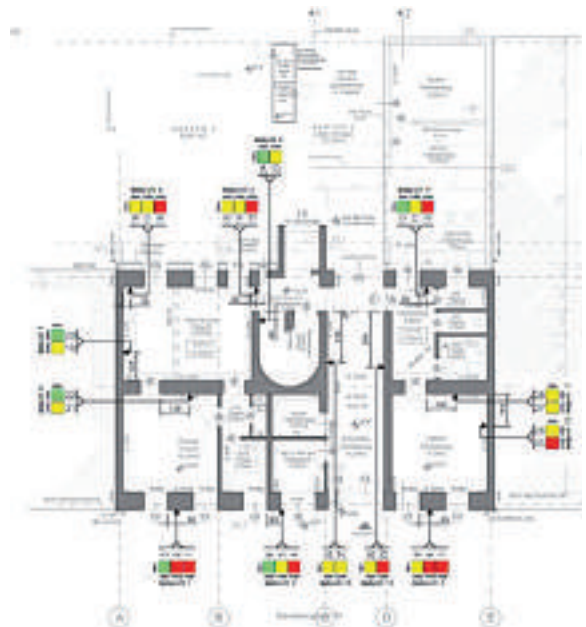


Bild 1. Messprofile und Entnahmeorte (Messprofilraster)

2.2 Baustoffanalysen

An den entnommenen Baustoffproben sind die folgenden feuchtigkeitsrelevanten Kennwerte zu bestimmen:

- Feuchtigkeitsgehalt
- Hygroskopische Ausgleichsfeuchtigkeit
- Maximale Wasseraufnahme
- Kapillare Wasseraufnahme
- Durchfeuchtungsgrad
- Hygroskopischer Durchfeuchtungsgrad
- Restsaugfähigkeit
- Bauschädliche Salze (Chloride, Sulfate, Nitrate)
- pH-Wert

Auf die Bestimmung der angeführten feuchtigkeitsrelevanten Kennwerte wird hier nicht eingegangen, ist jedoch ausführlich in [1] und [2] beschrieben.

2.3 Sanierungsplanung

Die Analysewerte wie Feuchtigkeitsgehalt, Durchfeuchtungsgrad, kapillare Wasseraufnahme,

Restsaugfähigkeit, hygroskopische Ausgleichsfeuchtigkeit, Chlorid-, Sulfat-, Nitratgehalt etc. helfen den meisten Bauherren kaum weiter, da sie die Auswirkungen der Analysewerte auf die Sanierungsmaßnahmen meist nicht beurteilen können. Grundsätzlich ist die Bauwerksanalyse die Grundlage für die Sanierungsplanung und daher prinzipiell bei jedem Sanierungsobjekt von einem kompetenten Fachmann durchzuführen. Zur Sicherstellung der zeitlich richtigen Zuordnung sind im Projektzeitplan die einzelnen Arbeiten (Zustandserhebung einschließlich Sanierungskonzept, Sanierungsdetailplanung, Überwachung der Ausführung und Kontrolle der Wirksamkeit) einzutragen.

Um jedoch die Ausschreibung gezielt durchführen zu können, muss bekannt sein, welche Horizontalabdichtungsverfahren, flankierende Maßnahmen wie Putzsystem, Vertikalabdichtung, Mauerwerksentfeuchtung, Mauerschadsalzreduktion, Anstrichsystem, Fußbodenaufbau, Raumbe-
lüftung etc. geeignet bzw. erforderlich sind.

3 Verfahren zur nachträglichen Horizontalabdichtung

Grundsätzlich gibt es zwei Verfahren zum nachträglichen Horizontalabdichten von Mauerwerk, die wissenschaftlich anerkannt, in der Praxis langzeiterprobt und nicht wartungsintensiv sind und zwar:

- mechanische Verfahren (auch als „Durchschneideverfahren“ bezeichnet)
- Injektionsverfahren (chemische Verfahren)

In Österreich sind diese Verfahren in der ÖNORM B 3355-2 „Trockenlegung von feuchtem Mauerwerk – Verfahren gegen aufsteigende Feuchtigkeit im Mauerwerk“ [1] genormt.

In den meisten Fällen sind mehrere Horizontalabdichtungsverfahren bei den Sanierungsobjekten zielführend, allerdings punkto Kosten, Qualität und Haltbarkeit sehr unterschiedlich. Die Aufgabe des Planers ist es nun, den Bauherren über die Qualität und Haltbarkeit der verschiedenen Horizontalabdichtungsverfahren aufzuklären. Die Entscheidung, welches Verfahren zur Anwendung

gelangt, liegt letztendlich beim Bauherren, da dies eine Kostenfrage ist.

3.1 Mechanische Verfahren

Nach einem fachgerechten Einsatz eines mechanischen Verfahrens zur nachträglichen Horizontalabdichtung von Mauerwerk wird der kapillare Feuchtigkeitstransport „absolut“ und somit 100%ig unterbunden. Die Wirksamkeitsdauer der Horizontalabdichtung aus zum Beispiel einer kunststoffmodifizierten Bitumenbahn liegt jenseits von 150 Jahren. Diese Abdichtung entspricht dem Neubauzustand.

Die im Folgenden beschriebenen Verfahren werden häufig in der Praxis angewendete und sind ausreichend erprobt.

3.1.1 Einstufige Verfahren (Chromstahlblechverfahren)

Bei den einstufigen mechanischen Verfahren werden gewellte Edelstahlplatten in die Mörtelfugen des Mauerwerkes einvibriert (Bild 2). Das Verfahren kann daher nur bei Mauerwerk mit durchgehenden Lagerfugen angewendet werden. In Abhängigkeit von der Auflast, durch die die Reibung beim Einbringen der Stahlbleche beeinflusst wird, sowie von der Mörtelfestigkeit und der Wanddicke sind dem Verfahren Grenzen gesetzt. Setzungsschäden können weitgehend ausgeschlossen werden, örtliche Auflockerungen bei geringstem Mauerwerk oder zu geringen Auflasten und leichte Erschütterungen während der Einbringung der Sperre sind nicht auszuschließen. Bei Naturstein- und Mischmauerwerk ist dieses Verfahren absolut ungeeignet.



Bild 2. Chromstahlblechverfahren

Kosten:

Die Kosten für ein einstufiges Verfahren belaufen sich auf ca. € 250,-/m² Wandquerschnittsfläche.

3.1.2 Mehrstufige Verfahren (Sägeverfahren)

Bei den Sägeverfahren erfolgt die Trennung des Mauerwerks in Österreich vorwiegend mittels Mauerfräsen (Bild 3) oder Seilsägen (Bild 4). Je nach gewähltem Geräteeinsatz ist eine Anwendungsgrenze der einzelnen Verfahren hinsichtlich der Mauerwerksart und der Mauerwerksdicke gegeben. Mauerfräsen können bei Ziegelmauerwerk und bei Steinmauerwerk bis Steinhärte 3 nach Mohs eingesetzt werden. Bei Stein- oder Mischmauerwerk mit einer Steinhärte über 3 nach Mohs werden Seilsägen verwendet. Die konstruktiven Auswirkungen auf das Mauerwerk und die Einsatzgrenzen der einzelnen Abdichtungsmaterialien legen die Arbeitsabschnitte und Einsatzbereiche fest.



Bild 3. Mauerwerkstrennung mittels Mauerfräse



Bild 4. Mauerwerkstrennung mittels Seilsäge

Nach dem Einbringen der Horizontalabdichtung (kunststoffmodifizierte Bitumenbahn oder genopptes Edelstahlblech) wird die Restfuge

mit frühhochfestem Spritzmörtel kraftschlüssig verschlossen (Bild 5).



Bild 5. Restfugenverfüllung über Horizontalabdichtung mittels Spritzmörtel im Hochdruckverfahren

Kosten:

Die Kosten für ein mehrstufiges Verfahren mit Mauerfräse belaufen sich auf ca. € 300,-/m² Wandquerschnittsfläche. Für ein mehrstufiges Verfahren mit Seilsäge kann mit ca. € 450,-/m² Wandquerschnittsfläche gerechnet werden.

3.2 Injektionsverfahren

Die Problematik bei den Injektionsverfahren liegt darin, dass die Anwendungsgrenzen der Injektionsmittel von den Planern und Ausführenden größtenteils nicht beachtet und teilweise von den Produzenten falsch eingeschätzt werden. Liegt der Durchfeuchtungsgrad des Mauerwerkes im Bereich der Abdichtungsebene über 50 % treten meistens Probleme auf. Die Restsaugfähigkeit des Mauerwerkes ist dann meistens bereits für eine ausreichende Aufnahme von hydrophobierenden oder hydrophobierend/porenverengenden Injektionsmitteln zu gering.

3.2.1 Verfahren und Materialien

Grundsätzlich kann unterschieden werden in

- drucklose Injektionsverfahren
- Injektionsverfahren unter Druck und nach der Injektionsmittelwirkung
- porenverschließend
- hydrophobierend
- hydrophobierend/porenverengend

Zunächst wird eine ein-, zwei- oder mehrreihige Bohrlochkette angeordnet. Der Bohrlochabstand richtet sich nach der Saugfähigkeit der Baustoffe, nach der Einbringungsart des Injektionsmittels und nach der Art des Injektionsmittels selbst. Die Injektionsmittel sind so einzubringen, dass kein unkontrollierter Austritt aus dem Bohrkanal stattfindet. Dies ist zum Beispiel durch Vorverfüllung des Mauerwerks mittels bindemittelhaltiger Suspensionen oder durch Anwendung hohlraumüberbrückender Verfahren (Impulssprüh- oder Infusionsrohrverfahren, Bild 6) zu bewerkstelligen. Die Injektion selbst erfolgt über Druckbehälter, Membran-, Kolben- oder Schneckenpumpen in Kombination mit Schlauch- oder Packersystemen.

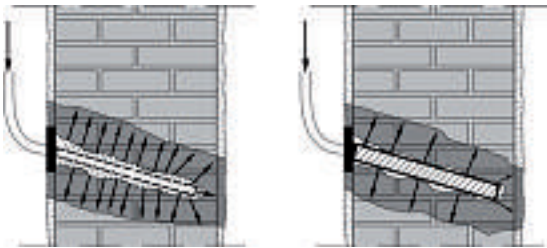


Bild 6. Impuls-Sprüh-Verfahren und Infusionsrohr-Verfahren (Holdochtverfahren)

3.2.2 Kosten:

Die Kosten für ein Injektionsverfahren inklusive Vor- und Nachtrocknung der Injektionsebene belaufen sich auf ca. € 300,-/m² Wandquerschnittsfläche.

4 Flankierende Maßnahmen zur Mauerwerkstrockenlegung

Flankierende Maßnahmen dürfen grundsätzlich nicht mit einer „Trockenlegung eines Objektes“ gegen kapillaren Feuchtigkeitsaufstieg verwechselt werden. Sie können die Feuchtigkeitszufuhr zum Objekt verringern oder verhindern und die Verdunstung beschleunigen sowie für eine Trocknung günstige Bedingungen schaffen. Nicht zu unterschätzen ist der richtige Zeitpunkt der Durchführung der Maßnahmen, da bei zu frühem, aber auch bei zu spätem Setzen von flankierenden Maßnahmen negative Auswirkungen auf das

Objekt entstehen können. Folgende flankierende Maßnahmen sind beispielhaft zu nennen:

- Entfeuchtung
- Schadsalzeduktion
- Vertikalabdichtungen
- Putze und Anstriche
- Drainagen
- Wärmedämmung
- Klimatische Maßnahmen

Im Folgenden werden aus der Vielzahl der flankierenden Maßnahmen zur Mauerwerkstrockenlegung nur die Maßnahmen zur Entfeuchtung des Mauerwerks beschrieben, da diese für den Sanierungserfolg zu den wichtigsten gehören.

4.1 Entfeuchtung

Eine wesentliche, aber oft seitens der Objekts-eigentümer, Planer und Ausführenden kaum beachtete und berücksichtigte flankierende Maßnahme zur Mauerwerkstrockenlegung ist die Mauerwerksentfeuchtung. Wie vorhin beschrieben, wird das nachträgliche Einbringen einer Horizontalabdichtung in ein Mauerwerk mit „Mauertrockenlegungsverfahren“ bezeichnet und davon ausgegangen, dass zugleich die Mauerwerksentfeuchtung automatisch erfolgt. Dies ist jedoch grundsätzlich FALSCH. Mit dem Einbringen der Horizontalabdichtung in ein Mauerwerk wird nur der kapillare Feuchtigkeitstransport verhindert oder behindert, nicht jedoch eine Entfeuchtung bewirkt.

Für eine rasche Entfeuchtung des Mauerwerks ist ein großes Wasserdampfdruckgefälle vom Mauerwerksinneren nach außen erforderlich. Dies wird nur durch die Erwärmung des Mauerwerks in der Kernzone – also von innen her – erzielt. Wichtig dabei ist, dass die Erwärmung und Abkühlung des Mauerwerks langsam vor sich geht, um Schäden in Folge von Materialausdehnung durch Temperatureinfluss zu vermeiden.

Die Erwärmung des Mauerwerks von innen erfolgt derzeit durch die folgenden Verfahren:

- Heizstabtechnik (Bild 7)
- Heizstabtechnik in Kombination mit konditionierter Druckluft
- Mikrowellentechnik



Bild 7. Mauerwerksentfeuchtung - Heizstabtechnik

Kosten:

Die Kosten für die Mauerwerksentfeuchtung mittels Heizstabtechnik belaufen sich auf ca. €130,-/m²-Wandansichtsfläche inklusive Stromkosten.

5 Zusammenfassung

Im Hinblick auf die langfristige Erhaltung des Altbaubestandes aber auch im Hinblick auf die Reduktion der Wärmeleitfähigkeit des Mauerwerks ist die Mauerwerkstrockenlegung unumgänglich und trägt wesentlich zur Verbesserung von Immobilien bei. Durch den kapillaren Salzlösungskreislauf im Mauerwerk ist nämlich ein permanenter Zerstörungsprozess im Mauerwerk vorhanden. Die Mauerwerkstrockenlegung erfordert aber aufgrund der Komplexität und der Inhomogenität alter Bausubstanz eine umfangreiche Bauwerksdiagnose und eine objektspezifische Sanierungsplanung. Der Einsatz von Trockenlegungsmaßnahmen sollte bereits vor Baudurchführung festgelegt und im Bauablauf integriert werden, was jedoch in vielen Fällen nicht erfolgt, wodurch dann meist unzureichende und zu kurzfristig durchgeführte Maßnahmen ergriffen werden, woraus wiederum Folgeschäden resultieren. Besonderes Augenmerk ist auf Überwachung

und Wirksamkeitskontrolle von Trockenlegungsmaßnahmen zu legen, um kurzfristig die hohen Kosten für die Behebung von Bauschäden und Baumängel zu reduzieren.

Grundsätzlich sollten nur langzeiterprobte und wissenschaftlich fundierte Verfahren zum Einsatz gelangen.

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Real Estate Investments and Energy Improvement of Buildings



By **Stamatis Perdios**, Mechanical Engineer of Technical University of Lausanne (E.P.F.L.), Technical Consultant of Hellenic Property Federation & U.I.P.I

Old buildings usually belong to elderly people and need care just like their owners. The most important concern now is their energy consumption upgrading, which could ensure their future market and rental value. That is because the yearly heating and cooling expenses of an old building usually double a new-built construction. Given that it is usually the people of low income who live in the old buildings, a serious social problem arises from the fact that these people consume a high percentage of their annual income for heating and cooling needs. This means that their financial potential for decent living conditions becomes even more limited.

Energy upgrading can be achieved through two means; either by energy saving interventions like thermal insulation, doors and windows replacement etc, or by using renewable energy systems, mainly solar and geothermal power technologies. Hierarchically, energy saving is the first intervention to consider, given that it is much wiser to first limit energy losses before investing in new technologies; a naked man buys clothes first, before considering purchase of a tuxedo.

The selection of renewable energy systems is an excellent choice under the conditions of technical and economic rationalism, provided they do not take resources from low-income social groups and provided they are accessible to the “average” citizen. People who suggest the use of high cost technologies and propose maximalistic plans like “zero energy consumption” buildings from 2019, seem to ignore the real needs of people belong-

ing to low - income categories, while they do not dare to recognize the future reduplication of the new buildings’ market prices due to this fact. With the present European economic data and according to the old French saying, these plans can be fulfilled only after “chicken grow teeth”!

Four conditions must be fulfilled for successful investments in building energy upgrading projects:

1. Owners must be informed with regard to the benefit from property energy upgrade actions. This can be achieved by the existence of a useful practical guide, with financial examples, demonstrating that the annual gain due to the electricity and fuel cost reduction is at least double the annual profit from the interest of a bank account!
2. Improvement of the legal framework concerning apartments / condo buildings, in order to restrain the reactionary small minority of owners from blocking the actions of the vast majority.
3. The provision of serious financial motivations under the form of tax releases, low interest loans and reduced VAT (value added tax), given the fact that investments on building energy upgrades are proportionally related to the building construction age. In this way, the advantages for the European states can be classified as follows:
 - a/ they do not provide state allowances
 - b/ they increase their tax revenues from companies participating in energy upgrade projects
 - c/ they limit fuel imports and
 - d/ they decrease unemployment.

I honestly have difficulty understanding why most Ministers of Finance refuse to adopt these simple incentives. When the average production cost of one kilowatt-hour (kWh) in Europe is almost four (4) cents (increasing to ten cents during the peak demand hours due to the use of cooling - air conditioning units in most southern and central

European countries), while the average cost for energy savings in buildings is almost three (3) cents per kWh, it seems like a paradox to pay more attention in investing in new industrial facilities for energy production (in order to satisfy the daily and monthly peak demands) and not investing in building energy saving projects!

4. Change in the domestic, electricity consumption pricing-policy. The subsidies for domestic electricity consumption in all the households -as a measure of social policy- are the main obstacle in building energy saving investments. The cheaper the cost for the electricity supply, the more financially disadvantageous is the investment! In addition, citizens tend to deal with this perspective in a frivolous way. It seems like the lamp is 'sleeping' on the ceiling, waiting for us to awake it by pressing the button. Social policy means cheap kWh for households of low income. Those with extreme energy consumption behavior will eventually end up paying more per kWh. In this case, the money gathered from this energy over-consumption can be directed to a fund, subsidizing citizens of low annual income for energy saving interventions in their properties.

The end of an era characterized by low fuel pricing and the need for environmental protection policies led to the European and national legislation of building energy performance. This means that the energy upgrading of existing buildings is a one-way road. This is a truth necessary for all owners to understand in order to maintain the competitiveness of their properties within the real estate market.

A second truth is that the higher the electric energy and fuels pricing, the more attractive investments in property energy upgrade will become in the future.

A third truth is that properties, which are not upgraded in terms of energy efficiency, will eventually be bought by financially strong buyers for very low prices, and then will be upgraded by their new owners. This danger must awake the governments of all European countries in order

to assist the low-income property owners and landlords, if of course they still believe in the existence of a real social policy.

The fourth and final truth is that landlords all over Europe are called to invest in energy saving interventions for the sake of their tenants, without having substantial financial return through a readjustment of the rents. In this case, the provision of serious state financial incentives and assistance is absolutely necessary. This is a deep systematic contradiction, which was not taken into consideration in Brussels, until UIPI managed to pass around this message. The sooner a solution is found to this problem, the more optimistic we can all be about the future.

Many thanks for your attention

Stamatios Perdios

,Property ownership – 15% make losses‘



By Dr. Wolfgang Louzek,
Vienna

In this context, reference was being made to a study by the DIW (German Institute for Economic Research) for the Green Party as represented in the German parliament.

According to the study, rented homes not only provide significantly lower yields than shares, bonds or equity holdings; 15 percent of landlords experience losses with their property - a higher percentage than every other form of capital investment.

The yields with shares or bonds are frequently better than with leased properties. This is clear from a study by the DIW. As reported by German newspaper the ‚Welt‘ on this subject, this study confirms the results of an earlier research project that was carried out by the Federal Office for Building and Regional Planning. According to this, 20 percent of landlords had made losses on their property holdings over the previous five years. A further 40 percent were just able to cover their costs with the rent paid to them. Experts do not find these results surprising: „From 1993 to 2009, in most regions, neither rents nor property prices rose“, explains Andreas Schulten, Director of the BulwienGesa AG research organisation, a German consulting and analysis firm that focuses on the property market. At the same time, however, expenses incurred by owners for upkeep and maintenance increased due to inflation.

These are results from Germany, but they can also be applied to Austria without difficulty as well. Pessimists think that the situation in Austria is probably worse, as the legal conditions in

Austria are even worse (to name just one example, limits surrounding cancellation of tenancy contracts; laws governing tenancy).

Even those who do earn profits will see that in the area of apartment buildings in particular, they only achieve yields at the inflation rate, not sums that are comparable with other asset investments.

Yet in times of economic crisis, we also read and hear the opposite. Types of investment of all kinds are prone to crisis, shares can lead to total losses, etc., and on the basis of this argument, investing in property is recommended, which is sometimes used to explain irrational price developments. The approach in this context is heading for the land registry instead of the savings bank.

What are costs, what are benefits - how profitable can owning residential property be?

If we want to highlight costs and benefits of maintaining a portfolio, then we must initially define what kind of portfolio we are talking about. In the context of my presentation today, I am taking this to mean a portfolio which has been existing and used (=leased) for a long time.

I also assume that in this context we are talking about a portfolio in private ownership, as in its role as an owner, the public sector frequently and sometimes - naturally - approaches the consolidation and use of its properties on the basis of other criteria.

1) Benefits of owning private residential property:

In this context I would like to divide this matter into three sections:

- Earnings from the letting
- Appreciation
- Social benefit

Earnings from the letting:

In this context, the sector likes to speak of 'yields', a term which can be certain to have its origins in the money markets.

There are many different definitions of yields (depending on the market in which you are working), in the property sector, the most widely used approach is the relationship between the original capital investment and the net capitalised value of the property.

Depending on the type of property and the risk of default, in the Austrian market alone, we are confronted with spreads starting at very low single figure sums to up to 10% p.a., and in certain situations, even more.

One such special case of determining yields naturally exists if the acquisition of the property occurred a very long time ago or it took place on a gratuitous basis (gift, inheritance, etc.). In such an instance, it is only possible to complete a reasonable determination of the yield against the market value of the property.

We should therefore assume that an average yield of a few percentage points is achieved, and that we have therefore outlined the immediate financial, running benefit of owning residential property.

Inflation-hedged investment/performance:

Another advantage which cannot be underestimated, therefore a 'benefit' of property investment is undoubtedly a kind of hedging against inflation which means that the value of the property (with the exception of special developments) at least develops with the economic market as a whole and therefore keeps up with inflation in terms of its performance.

As recently published by REMAX¹ in Austria, almost all categories of property (with clearly

different scales according to the federal states) have demonstrated price increases that are sometimes clearly above the rate of inflation and increases which at least partially compensate for losses of value due to inflation.

For this reason, I believe it to be admissible and, over a long period of observation, correct, to assume that the purchasing of property is an investment that is protected against inflation.

In this context, it is also important not to overlook the fact that as long as they are not legally regulated or limited in some way, with normal leases, the yields are also agreed on an indexed basis, and therefore the value of the property is also indexed according to the determination of capitalized value method. This is qualified over time, however, because over and above a certain age of the property, a permanent return cannot simply be seen as value-defining.

Social benefit:

When we talk of benefits, we also mean the benefit to society as a whole, meaning the social community in which the owner of the home and/or the property operates. Yet is it not the case that an investor in a property is providing resources to the economy or to private users for their commercial actions, or to satisfy private requirements with its own money and mostly at its sole risk? What position would the public sector find itself in if private property owners weren't to make commercial property, office space and homes available? There would be no economic growth and a considerable housing shortage, etc. This is beyond arithmetic, but should be remembered by those who all-too-often denounce the owners of property, who have the more-than-justified aspiration of wanting to earn a profit from it, as capitalists or as being greedy.

II) The costs of portfolio preservation:

Administrative costs:

Making profit from property invariably involves a

¹ REMAX property price comparison list 2010, APA publication OTS0108, 1.3.2011

certain amount of administrative work which is frequently transferred to a service provider who is then paid accordingly. Irrespective of and without taking the legal or remunerative regulations into consideration, for the purpose of valuing the property, according to the yield value procedure to determine the net yield, in the standard literature² the administrative costs are viewed to total up to 8% of the annual gross yield.

On average this value will be considerably less, at least for Austria, we also have to remember that according to the MRG conditions, a legally specified sum can also be invoiced to the user of the property on top of the rent as administrative costs. All the same, however, administrative costs remain a factor within the calculation, and I would never consider them to total less than 2-5% of the annual gross yield. Also, if re-renting occurs on a frequent basis, increased third party costs and commission payments must be borne in mind.

Maintenance costs:

Maintenance costs are defined by Heimo Kranewitter (see FN 2) in his standard text on property valuation as follows:

„Maintenance costs are costs which occur as a result of the prevention or the removal of damage to buildings that occurs due to use, aging or the influence of weathering. They therefore serve the purpose of maintaining the purposeful use of the building during its serviceable life.“

These naturally vary depending on the type and age of the property and are frequently stated in percentages, in this case as a percentage of the construction costs. The literature assumes that they amount to 0.5% to a max. 2% of the construction costs per year. In a building that is normally used as a flat, office or place of business, my standard value for determining the capitalized value is always a deduction of 1% of the construction costs per year.

Buildings with a high level of technical configuration may frequently be hit with higher costs, however.

This means we are coming to a term that has been discussed frequently in recent years, namely the **lifecycle costs** of a building.

After looking through the relevant publications³ in a modern office building, for instance, one can expect to have to accept lifecycle costs that amount to approx. 3 times the construction costs.

If you now put the figures which I discussed for maintenance costs to the test according to the previously standard approach, they don't really stand up to scrutiny. This is above all the case because improvements or conversions are not generally taken into consideration. Furthermore, the costs of demolition and disposal are not factored into these amounts.

At this stage, I would like to make a further suggestion concerning what is not a new way of looking at the yield; it simply is not such a conventional way of looking at it:

In some circumstances, it is appropriate to talk of the lifecycle **YIELD**.

In this context I draw reference to the comments I made at the beginning concerning the failure to earn yields suffered by 15%, and in some cases more, of owners of property. This naturally only applies to the current rate of return.

And yet why do investors buy properties that offer a rate of return that is below 7%? The simple answer to this question is because one of the components of the yield is the increase in value. In the context of the current operation, this offers no direct benefit, yet to pick up on the point of lifecycle yield once again, after gaining the increase in value, the total yield will be profitable, otherwise nearly all of those participating in the market would be behaving irrationally, which surely is not the case.

² Heimo Kranewitter et al, Property Valuation, 5th Edition, Vienna, 2007, Manz Publishing

³ As an example: Floegl, Lifecycle costs, backgrounds, concepts, 12.05.2009, <http://www.donau-uni.ac.at/fm>

Summary:**Costs:**

With new investments and purchases the following are therefore to be taken into account:

- Running costs (administration costs, maintenance costs), which as a rule amount to 20% of the current investment income. This is only the case if the property provides an average yield of 6-7% p.a. With low rates of return, this percentage increases dramatically and can completely wipe out the yield.
- When considering the lifecycle costs, it is necessary to place the day-to-day running costs of the property into the context of the yield potential of the property during its lifespan, including the remaining value of the property.

Benefits:

We defined these as follows:

- Current rate of return
- Performance
- Social benefits

Concluding points:

Investing in property continues to be worthwhile, and possibly even more so in the context of the recent crisis-prone developments in the markets. To succeed with purchases and new investments, wide ranging specialist knowledge and many years of experience are required, in this context we also talk of the acquisition of long term assets.

The longstanding principle of investing a third of your assets in property is still correct and to be pursued in my opinion. BUT: investing in property shares is, and remains a form of share investment that includes all the risks and opportunities of the market and also forms part of this area of investment - something that cannot be highlighted often enough.

Ireland in Distress



By **Stephen Faughnan**,
President of the Irish Property
Owners Association (IPOA)

Renting property has become very difficult in Ireland in recent times. In 2004 legislation was put in place with the intention of protecting tenants and property owners. Unfortunately this protects the people who wish to abuse private rental accommodation. It can take over a year for a landlord to evict a non-paying or anti-social tenant. Although the vast majority of tenants in Ireland are law abiding the small percentage that are not, are free to go from landlord to landlord causing distress to other tenants and neighbours and in some cases financial ruin to landlords.

The banking situation in Ireland is currently in crisis and as a result banks are pressuring property owners in the private rental sector. In cases where they lent on an interest only basis they are now looking for capital to be paid as well. Unfortunately as a result of decreases in rental income, increased taxation, and negative equity this is not possible and the banks are forcing property owners onto higher interest rates. In the past three years Homeowners and Landlords in the private rental sector in Ireland have experienced serious penalisation to their business as a result of Government Measures.

- Prior to 2008 borrowing for refurbishment allowed tax relief as an expense which was removed in that year's budget.
- Tax relief on monies borrowed to purchase a property for rent was decreased by 25%. Effectively this means that property owners have to pay tax on an expense.
- An income levy introduced 1-6% depending on income.
- NPPR – Non Principle Private Residence tax (which includes rental accommodation) €200

per unit with a penal fine for late payment of €20 per month or €240 per annum, this is cumulative. The fine for non- payment is €2000. This is not tax deductible and expected to increase.

- Inheritance Tax/Capital Gains Tax increased by 25% and the threshold or inheritance reduced from €550k to 332k.
- DIRT (Deposit Interest Retention Tax) increased from 20% to 27% per annum and to 30% for longer term.
- Renting of Property in Ireland is not intended as a business instead it is classed as unearned income which places huge restriction on investors.
- Ireland over the past 20 years enjoyed tax relief on purchases of designated properties referred to as section 23/27/50 etc. If you invested in e.g. apartment in a designated area you could off-set rental income from this property or any other property against 75-85% of the cost of the designated building (excluding site costs). This gave a ten year term to use the incentives but now Government have proposed abolishing these reliefs and intend applying a guillotine method to do so. This will leave many investors in the difficult position of having borrowed heavily to purchase, based on the agreed reliefs mentioned and now will not be able to offset this income.

New proposal to introduce a deposit retention scheme are being put forward, but it is the contention of the IPOA that this is not necessary as the Residential Tenancies Act 2004 incorporates a mediation/ adjudication process which includes deposits. The application of the legislation lacks commitment to implement the law in a meaningful and efficient manner. Deposits belong to tenants are fully refundable except in the case of damage beyond normal wear and tear or rent/ service arrears or certain breaches of contract. Note: 0.02% of registered tenancies have difficulties with deposit retention.

EU: A change towards the citizens is overdue



By RA Dr. Kai H. Warnecke,
Stv. Generalsekretär
Haus & Grund Deutschland

The European Union has created a free and wealthy Europe: travelling with just one currency in the wallet to many of the EU member states gives Europe's citizens a share of personal freedom unknown just a few decades ago. This is an achievement of the EU, which is welcomed by most of its citizens. Another major element of the Union is the common market, allowing the free trade of goods and services. Seen from an economist point of view this surely is another successful story. Consumers take a profit in the lowering of prices for consumer products, even though the standardisation of products – sometimes taking the national charm of goods – has lately been criticised.

The back side of this is that the common market has turned into a playground for EU politics, giving the EU administration reasons to invent regulations of all kind. Primarily technical regulations are released, arguing that technical differences become barriers and therefore prevent a free trade in the common market. Next to this citizens have the right to relocate within the Union without restrictions or indirect barriers. That is why the Commission tries to break down real and virtual barriers. Unfortunately these regulations often interfere with the interests of property owners.

A well known example is the Energy Certificate, invented by the European Union and happily transformed into national law with a surplus of obligations for property owners by many countries. The certificate is supposed to give consumers – primarily tenants – a euro wide overview on the energy standard of a building.

Wherever a citizen settles, he or she can choose a low energy building thanks to the certificate – that is the idea.

German bureaucrats, when turning the EU directive into national law, were sure that it would be useful to forbid the consumption based certificate for small buildings, especially for owner occupied one- and two-family-homes. Only a scientific research by the national ministry of building proved what property owners knew for a long time: the consumption based certificate is more accurate and reliable than the one based on calculation. The research study comes to the conclusion: "Due to the variety and complexity of constructional and technical details as well as the accounting systems and administrative practices of houses, the energy pass system doesn't always fit the realities of daily life. [...] The energy pass is considerably susceptible to errors. This is more true of the rather better perceived demand certificate than the consumption certificate, due to the complexity of the assumptions and calculations involved." (quoted from the BMVBS-Online-Publication 01/2011, p.10 - Evaluierung ausgestellter Energieausweise für Wohngebäude nach EnEV 2007).

An expected reaction to this study would have been to legalise the energy certificate based on consumption for all kinds of buildings. But this would not be in favour of the administration. Instead they lobby for a euro wide unified fundamental data for the certificate based on calculation, as demanded strongly and supported by the German government. That will ensure work for the administration and will be at the expense of the property owners only. It will not help the environment at all – but that is of no importance. Similar thoughts govern the latest proposal for a Water Performance of Buildings Directive (WPBD). The consumption of water is supposed to be reduced. Already the title of this directive names the problem: water performance of buildings – as if buildings consume water. The consumer does, but the EU officials do not dare to approach the citizens. So the EU takes a look on how to reduce the water consumption without directly

addressing the citizens. A proposal is to install a second water supply circle for rain water in all buildings. This makes everybody happy: The construction industry gains new jobs, suppliers can produce new pipes and regenerated water is saved. This is what the EU calls a value chain. Just one group is forgotten: Those who have to pay the bill: property owners. And on top of this the environment (water) is not saved: A litre of water saved in Scotland or Germany will not help the people in dry countries like Cyprus or Spain – simply because there is no water being transferred. Instead the low consumption of water in countries with a high rainfall becomes a problem for the water suppliers. Sewage pipes are not used enough. The consequence: fresh regenerated water is pumped through the sewage pipes to minimise sediments and smell. And oversized sewage plants still need to be paid for. That is why water prices rise, especially when the water consumption decreases. But practical thoughts are not affecting EU policies.

So these days it is good news, when seemingly good ideas fail to become a directive. The Consumer Rights Directive (CRD) is an example. It is aimed at a euro wide alignment of consumer rights on products. Wherever an EU citizen is shopping, the same consumer rights would be applicable and therefore – that is the thought – make life easy. This was inter alia supposed to become law for construction contracts. A consequence of which would have been a standardisation of warranty claims including the liability period: six months all over Europe. This would have been a significant shortage of the liability period to the disadvantage of the consumer, for in many countries the period for the construction of buildings is five years, in some countries, such as Bulgaria, even twenty years.

Whoever took the burden of building a home knows: defects will not necessarily show in the first six months. Au contraire. It can take years. A short liability period is to the disadvantage of the owner only. But a common warranty period was more important to the EU Commission than a useful warranty claim for citizens: the Commis-

sion proposed a common six month period. Only the European Parliament stopped this nonsense. Once more the citizens were less important than a bureaucrat's idea. This is the approach which more and more frequently creates a negative image of Europe as such.

The EU Commission should focus on their citizens. This is what UIPI is trying to achieve by running the Brussels office. Property owners are citizens of Europe and in many countries they have a clear majority. In Spain, Ireland and Greece more than 80% of the households are owner occupied. But even in countries with a very low number of owner occupied households (43% in Germany for example) the majority of the population (55% in Germany) lives in those households, for owner occupied household are larger.

The European bodies should be using the positive image to work on a common Europe. This is what citizens want and what they are willing to pay for. The fine English word "Eurocrats" describes, what citizens and property owners do not like: a pre-democratic administrative body taking interest in the own work, downgrading the citizens to objects. This behaviour is a result of the lack of democracy in the EU institutions. This must be overcome in order to give the Union the right direction again.

UIPI PARIS DECLARATION: Building Owners Position on the Revision of Energy Efficiency Action Plan

The Paris Declaration was drafted to stress the position of property owners' associations on issues related to energy efficiency during the preparation of the EU Energy Efficiency Action Plan. It was agreed in Paris on 22.10.2010 and signed by the majority of UIPI members.



The International Union of Property Owners (UIPI) represents the interests of 5 million of property and home owners in 25 European countries.

The new Energy Efficiency Action Plan is of crucial interest for UIPI members. The Action Plan will have strong implications on political and legislative developments and actions in the field of energy efficiency in buildings. Therefore, UIPI members meeting in Paris call for a better acknowledgment of the concerns and needs of home owners and landlords in the drafting of the Action Plan.

The UIPI recognises that additional efforts should be made to reach the 20% energy saving targets by 2020, including progresses in term of energy efficiency. There is a need for a strong global European energy saving framework that would strengthen the solidarity between energy consuming sectors and EU member states in the division and allocation of objectives. We however warn against disproportionate pressures on the housing sector.

A balance has to be found between energy consuming sectors, energy saving requirements, the scale of the renovations foreseen and the financial capacity of the private housing sector.

The upcoming Energy Efficiency Action Plan should carefully assess measures to reach cost-effective gains on energy savings in the housing sector so as not to create unnecessary burdens for individual private building owners.

UIPI members call therefore for:

- A better acknowledgment of the difficulties facing the individually and privately owned building sector.

Around 70% of the European building stock is privately owned. A large majority of these private owners, especially in the residential sector, are individual households or private landlords with small and medium sized building portfolios.¹

In this sector, building owners already have to face financial burdens to implement existing energy efficiency rules on top of other technical requirements, taxes and maintenance costs. Excessive renovation costs will be unbearable for the majority of house owners, especially in time of crisis, and will challenge the initial objectives of the measures and the willingness to fight against energy poverty. Such a reality has to be acknowledged.

Also, returns on investments for energy saving refurbishments are longer than often reported and have to take into consideration differences between owner-occupiers and landlords.²

¹ An estimated 69% of the residential housing stock in Europe is owner-occupied and 17% is private rented predominantly by individual landlord; Norris, M & Shiels P (2004) Regular National Report on Housing developments in European Countries: Synthesis report. Dublin: The Housing Unit, Department of the Environment, Heritage & local Government. Statistics include Turkey.

² The French Union Nationale de la Propriété Immobilière (UNPI) made an analysis comparing costs saved on energy bills after refurbishment and costs of « standard» refurbishments (including, double glazing, roof insulation, boiler replacement and certification). The return on investments is estimated to be over 20 years for an owner occupier. For a landlord, this period is estimated to double.

- **A careful evaluation of the risks to introduce binding targets specific to the building sector.**

The adoption of binding targets, especially in the building sector, is not necessarily the best solution. Given the specificities and the financial constraints facing this sector, too strict targets might remain unreachable. Energy savings in Europe is the result of a common effort involving all member states and covering all aspects of the economy. There is therefore a need for a global European energy saving framework. Targets should remain global and to create solidarity in the division and allocation of objectives between energy consuming sectors, according to their capacity, and EU member states.

- **Promotion of better tailored financial incentives at EU, national and local level to support private owners and individual households in their effort to make their dwellings more energy efficient.**

Existing national and European programmes as well as political commitments demonstrate that there is a common acknowledgment of the need for financial support.

Many of these efforts have however focused on large scale and/or public projects or have been difficult to access by individual citizens. Given the share of individually and privately owned dwellings in the overall European building stock, additional and better custom-made financial

solutions and incentives for this sector will have a positive impact in implementing existing energy efficiency policy and objectives.

Also, the possibility to use EU funds to play an important role in the development of national, regional and local energy efficiency financial instruments should be explored.³

- **Promotion of alternative schemes to support direct returns on investments for home occupiers and landlords.**

Other schemes to support energy refurbishments should be promoted. The possibility to automatically open the benefits of reduced VAT for all renovations in the field of energy performance of buildings should definitively be one of the solutions to be explored. Also, an impact analysis of solutions to resolve the landlord/tenant dilemma in relation to energy costs, such as the split incentive model could be made.

Property and building owners associations aim to actively participate to the debate on energy efficiency and to propose solutions to harmoniously reach EU saving targets, create new green jobs and safeguard the EU real estate and private renting sectors.

³ As already required in Directive 2010/31/UE on Energy performance of buildings (Recast), Recital 19

Travaux d'économie d'énergie réalisés par un bailleur privé Partage des économies de charges: l'UNPI entendue!



By Jean Perrin, Président,
Union Nationale de la Propriété
Immobilière

En décembre 2008, Christine Boutin, alors ministre du Logement, confiait au président Perrin une mission sur le partage des économies d'énergie entre propriétaires et locataires.

Les propositions de l'UNPI ont été entendues et ont largement inspiré le dispositif instauré par la loi Boutin qui a mis en place le cadre nécessaire à l'exécution de ces travaux et au partage du bénéfice entre bailleur et locataire (article 23-1 de la loi du 6 juillet 1989 créé par l'article 119 de la loi Boutin du 25 mars 2009 ; textes d'application : décret n° 2009-1439 du 23 novembre 2009 et arrêté du 23 novembre 2009, parus au J.O. du 25 novembre 2009).

Ce dispositif qui n'est en aucun cas obligatoire pour le locataire et suppose donc son accord au préalable vous est présenté succinctement ci-après :

I. Tout d'abord, le texte de base:

Article 23-1 de la loi du 6 juillet 1989 (créé par l'article 119 de la loi Boutin du 25 mars 2009) :

« Lorsque des travaux d'économie d'énergie sont réalisés par le bailleur dans les parties privatives d'un logement ou dans les parties communes de l'immeuble, une contribution pour le partage des économies de charge peut être demandée

au locataire du logement loué, à partir de la date d'achèvement des travaux, sous réserve que ces derniers lui bénéficient directement et qu'ils lui soient justifiés. Elle ne peut toutefois être exigible qu'à la condition qu'un ensemble de travaux ait été réalisé ou que le logement atteigne un niveau minimal de performance énergétique.

Cette participation, limitée au maximum à quinze ans, est inscrite sur l'avis d'échéance et portée sur la quittance remise au locataire. Son montant, fixe et non révisable, ne peut être supérieur à la moitié du montant de l'économie d'énergie estimée.

Un décret en Conseil d'Etat, pris après avis de la Commission nationale de concertation, précise les conditions d'application du présent article, notamment la liste des travaux éligibles à réaliser et les niveaux minimaux de performance énergétique à atteindre, ainsi que les modalités d'évaluation des économies d'énergie, de calcul du montant de la participation demandée au locataire du logement et de contrôle de ces évaluations après travaux. »

II. Les précisions apportées par le décret et l'arrêté du 23 novembre 2009:

➤ Les conditions de la contribution du locataire au partage des économies de charges:

• La proposition du propriétaire bailleur:

La contribution du locataire au partage des économies de charges résultant des travaux d'efficacité énergétique réalisés par le bailleur est exigible à la condition que le bailleur ait engagé une démarche de concertation avec le locataire portant sur le programme de travaux qu'il envisage d'entreprendre, les modalités de leur réalisation, les bénéfices attendus en termes de consommation énergétique du logement et la contribution du locataire, notamment sa durée, au partage des économies de charges résultant de ces travaux.

A l'issue de cette démarche de concertation, le locataire donnera ou non son accord (il n'est donc en aucun cas tenu d'accepter la proposition du bailleur).

• **Dans l'hypothèse où le locataire donne son accord:**

A l'issue des travaux, une ligne supplémentaire (en sus des lignes relatives au loyer et aux charges) intitulée: « Contribution au partage de l'économie de charges » et la mention des dates de la mise en place et du terme de cette ligne supplémentaire, ainsi que de la date d'achèvement des travaux, sont inscrites sur l'avis d'échéance le cas échéant et portées sur la quittance remise au locataire. Le versement de la contribution est exigible à partir du mois civil qui suit la date de fin des travaux.

• **En cas de changement de locataire pendant la période de versement de la contribution:**

Préalablement à la conclusion d'un nouveau bail avec un autre locataire pendant la durée de versement de la contribution, le bailleur apporte au nouveau locataire les éléments propres à justifier les travaux réalisés et le maintien de cette contribution et l'informe de son terme.

➤ **Les travaux d'économie d'énergie pouvant donner lieu au versement d'une contribution par le locataire**

:

Il s'agit:

1. Soit de travaux correspondant à une combinaison d'au moins deux actions d'amélioration de la performance énergétique du logement ou du bâtiment concerné (« bouquet de travaux »), parmi les actions suivantes:
 - a) Travaux d'isolation thermique des toitures;
 - b) Travaux d'isolation thermique des murs donnant sur l'extérieur;
 - c) Travaux d'isolation thermique des parois vitrées et portes donnant sur l'extérieur;
 - d) Travaux de régulation ou de remplacement de systèmes de chauffage ou de production

d'eau chaude sanitaire;

- e) Travaux d'installation d'équipements de chauffage utilisant une source d'énergie renouvelable;
 - f) Travaux d'installation d'équipements de production d'eau chaude sanitaire utilisant une source d'énergie renouvelable,
- sous réserve que ces travaux respectent des niveaux minima fixés par l'arrêté du 23 novembre 2009.

Ces différentes catégories de travaux ne peuvent être réalisées que dans un bâtiment existant dont la date d'achèvement est antérieure au 1er janvier 1990.

2. Soit de travaux d'économie d'énergie permettant d'atteindre une performance énergétique globale minimale ; plus précisément, il s'agit d'un ensemble de travaux permettant de ramener la consommation d'énergie du bâtiment pour le chauffage, la ventilation, la production d'eau chaude sanitaire, le refroidissement et l'éclairage des locaux en dessous d'un seuil défini par l'arrêté du 23 novembre 2009.

Cet ensemble de travaux ne peut être réalisé que dans un bâtiment existant dont la date d'achèvement est comprise entre le 1er janvier 1948 et le 31 décembre 1989.

➤ **Le calcul de la contribution du locataire:**

L'économie de charges sur laquelle est basée la contribution demandée au locataire en contrepartie des travaux d'amélioration énergétique réalisés par le bailleur est calculée par une méthode de calcul conventionnel de la consommation d'énergie résultant d'une étude thermique préalable et prenant en compte les caractéristiques techniques et énergétiques du bâtiment, sa localisation géographique, ainsi qu'une occupation conventionnelle de celui-ci.

La contribution peut néanmoins être fixée de manière forfaitaire si l'une au moins des conditions suivantes est remplie:

- a) Les caractéristiques constructives du bâtiment sont incompatibles avec la méthode de calcul
 - b) Le bailleur ne possède pas plus de trois logements mis à bail dans l'immeuble considéré.
- La méthode de calcul et le forfait sont définis par l'arrêté du 23 novembre 2009:

• **Concernant les travaux visés au point 1:**

Pour les bâtiments achevés avant le 1^{er} janvier 1948, à l'issue de la réalisation des travaux d'économie d'énergie, le bailleur peut demander à son locataire une contribution mensuelle forfaitaire fixe et non révisable s'élevant à:

- 10 € pour les logements comprenant une pièce principale;
- 15 € pour les logements comprenant deux ou trois pièces principales;
- 20 € pour les logements comprenant quatre pièces principales et plus.

Les montants de ces forfaits pourront être actualisés par arrêté tous les trois ans en fonction de l'évolution de l'indice de révision des loyers (IRL).

• **Concernant les travaux visés aux points 1 et 2:**

Pour les bâtiments achevés après le 1^{er} janvier 1948, à l'issue de la réalisation des travaux d'économie d'énergie, le bailleur peut demander à son locataire une contribution mensuelle fixe et non révisable dont le montant est calculé:

1° Soit sur la base d'une estimation de l'économie d'énergie mensuelle en euros calculée à partir de la méthode Th-C-E ex mentionnée dans l'arrêté du 8 août 2008.

2° Soit sur la base d'une estimation de l'économie d'énergie mensuelle en euros calculée à partir d'une des méthodes réglementaires prévues à l'arrêté du 9 novembre 2006.

Toutefois, lorsque le bailleur ne détient pas plus de trois logements locatifs dans l'immeuble considéré, le montant de la contribution mensuelle peut être fixé de la manière forfaitaire, fixe et non révisable (voir ci-dessus).

➤ **Le contrôle après travaux:**

Si le bailleur demande à son locataire une contribution à partir d'une méthode de calcul conventionnel, l'entreprise ayant réalisé les travaux (ou le maître d'œuvre ou l'organisme ayant délivré la certification du bâtiment ou un bureau de contrôle) lui atteste que ces derniers respectent les prescriptions de l'étude thermique préalable à la réalisation des travaux, pour atteindre la performance visée par le décret et l'arrêté (voir le point 2).

Si tel n'est pas le cas, une nouvelle estimation de la consommation d'énergie du bâtiment est réalisée afin d'évaluer la contribution du locataire.

Si le bailleur demande à son locataire une contribution forfaitaire, l'entreprise ayant réalisé les travaux (ou le maître d'œuvre ou l'organisme ayant délivré la certification du bâtiment ou un bureau de contrôle) lui atteste qu'ils sont conformes aux critères définis par le décret et l'arrêté (voir le point 1).

Les attestations à apporter en vue du contrôle de la réalisation effective des travaux sont transmises par le bailleur à son locataire à l'issue de la réalisation de ces derniers selon le modèle de formulaire figurant en annexe 3 de l'arrêté du 23 novembre 2009.

Enfin, pour information, un dispositif identique est mis en place pour les organismes bailleurs publics HLM, à quelques exceptions près: voir à ce sujet le décret n° 2009-1438 du 23 novembre 2009 et l'arrêté du 23 novembre 2009 (parus au J.O. du 25 novembre 2009).

Embracing Energy Efficiency in the UK Private Rented Sector



By David Salusbury, Chairman
of the National Landlords
Association, UK

Landlords in the UK could be forgiven for letting out a collective groan when Chris Huhne MP, Secretary of State for Energy and Climate Change, announced the Government are to push ahead with new measures to encourage greater energy efficiency in the private rented sector.

But unlike some earlier initiatives, the 'Green Deal', is a scheme designed to provide up-front funding for energy efficiency improvements including loft, cavity and solid wall insulation, floor insulation, draught-proofing and water pipe lagging.

Traditionally landlords have proved difficult to target with energy efficiency measures as the arrangement is typically one-sided – i.e. the landlord pays and the tenant benefits; what is known by the technically minded as the split incentive.

However, this scheme looks different:

1. There will be no capital outlay for landlords. The Green Deal financing will be paid back through the utility bills. Therefore, whoever pays the utility bills, pays back the loan.
2. The 'Golden Rule' of the Green Deal is that the combined cost of both the utility bills and the loan must be lower than if nothing had been done – so after the measures are installed tenants will be financially better off as they are paying less in utility bills; and warmer.
3. A warm tenant is a happy tenant, and happy tenants are likely to stay for longer; which reduces void periods and the need to re-market.

4. European legislation will shortly require landlords and letting agents to put energy efficiency ratings on all property adverts. A property with a higher EPC rating should be more attractive to tenants and so using the Green Deal and installing the improvements will make it easier to let.
5. Most importantly, these measures will protect the fabric of properties. Energy efficiency improvements reduce damp, mould, condensation and damage from frozen water pipes – so reducing long-term maintenance costs.

However, the devil may yet be in the detail. As with all new legislation, the Green Deal is a carrot to encourage landlords to embrace the energy efficiency agenda. Of course, where there is a carrot there is always a stick and the Green Deal is no exception. If landlords do not take up the Green Deal, from 2015 tenants will be able to demand 'reasonable' energy efficiency adjustments.

EU Inspections and Certifications in Buildings



By Emmanuelle Causse,
Head of Public Affairs of the UIPI

Overview of existing and upcoming EU inspections and certifications of buildings, buildings' elements and technical systems

Buildings, building parts and building technical systems are subject to strict norms and requirements originating from national rules and national building codes. Numerous inspections and certifications have been introduced to control the respect of these norms and ensure better information of potential tenants or buyers. These technical diagnoses generate however important costs for property owners who have to regularly have their dwellings inspected and their building certificates renewed.

A large majority of these inspection and certification obligations come from EU legislation. Their number is expected to increase in the following years with the upcoming adoption of stricter rules on energy efficiency, environmental friendly products and water savings.

This article proposes a non-exhaustive list of existing EU certification and inspection obligations related to building, building parts or technical systems. Many of these compulsory diagnoses come on top of stricter or specific national certifications answering sometimes some very specific and/or local situations, such as termite inspections or earthquake resistant inspections.

EXISTING INSPECTIONS & CERTIFICATIONS

New lifts inspections:

EU Directive 95/16/EC on new lifts

The Directive establishes European legal requirements for the design, installation and placing

on the market of new lifts. It also sets out the conformity assessment procedures to be followed by lift installers to ensure conformity with these requirements. The provisions of the Directive are implemented in the national law of each Member State.

The Directive covers new lifts permanently installed in buildings and constructions for carrying passengers or passengers and loads. It also applies to certain safety components for lifts listed in Annex IV of the Directive.

Existing lifts inspections:

EU Recommendation 95/216/EC on existing lifts safety – CEN Standards 81-80

The safety of existing lifts (that is to say lifts installed before the Lifts Directive came into force) is subject to national regulations. Commission Recommendation 95/216/EC invites Member States to take all necessary actions to ensure a satisfactory level of maintenance for existing lifts and to improve the safety of these lifts. The Recommendation is normally not legally binding and is implemented by the Member States in light of the situation and provisions existing at national level. Most member states have adopted strict regulations in that respect.

In 2003, the European Committee for Standardisation (CEN) adopted a standard, EN 81-80, that provides a guideline for national authorities, lift owners, lift inspection bodies and maintenance companies for improving the safety of existing lifts, with the aim of bringing the safety of all existing passenger and goods passenger lifts progressively towards today's state-of-the-art for safety.

The new norm EN 81-80 covers 74 hazardous scenarios. The standard categorises into high, medium and low risks the hazards and hazardous situations, each of which has been the subject of a risk assessment. It also incorporates a national filtering method that allows Member States to select those items, which are relevant for their market. It then provides a list of corrective actions, allowing a step by step improvement of safety. Every existing lift in Europe can be audited against the standard's checklist of more than 70 items.

On this basis, many EU member states have strengthened their national legislation in terms of lifts safety and have introduced strict maintenance contracts or certifications and risk analysis schemes.

**Energy Performance Certificate:
Directive 2002/91/EC on the energy
performance of buildings (EPBD) – Recast
Directive 2010/31/EU**

With the adoption of the 2002 EPBD Member States had to implement mandatory certification of new buildings, upon construction, and existing buildings, at the time of sale or rent, along with periodic certification of public buildings. This concerns residential (including apartments) and non-residential buildings, as well as those with mixed use. The prevailing ownership structures and building systems (communal or individual) need to be taken into account, as do special concerns for rented buildings or apartments. Different types of certification are possible – asset rating or operational rating (i.e. calculated versus metered) – whilst rating of buildings can be based on, inter alia, energy demand, primary energy consumption and/or on emissions, etc. Certification of apartment blocks, or those with several units of mixed use, presents specific challenges. For such buildings it can be debated whether the certification shall be based on the whole building or on the individual part. Energy performance certificates, of less than 5 years old, should be made available when buildings are constructed, sold or rented out. Energy performance certification aims to quantify the energy consumption of a building or a building unit (apartment or section of a building). It should also result in recommendations for improvements. These recommendations are an essential part of certification, with a view to making possible energy savings. As such, there is significant interest in identifying the most appropriate procedures and the way information is handled and presented, etc.

Since January 2006, certification has been gradually introduced in the Member States for different types of buildings. Since January 2009,

the majority of Member States have certification schemes in place and now have growing operational experience with those schemes.

The Recast EPBD 2011 makes mandatory the use of the energy performance indicator in advertisements. This certificate will also have to include recommendations on how to improve cost-optimally the energy performance. These certificates are to be issued to all new buildings/building units and when existing buildings/building units are rented or sold.

The Commission is to develop a voluntary common European certification scheme by mid-2011.

**Heating systems inspections:
EPBD 2002/91/EC and Recast 2010/31/EU**

The 2002 EPBD stresses that those boilers with an effective rated output over 20 kW are to be regularly inspected. Also boilers older than 15 years (as well as their associated heating system) are to be inspected for efficiency. Boilers means the combined boiler body-burner unit, designed to transmit to fluids the heat released from burning. Following inspection, advice is to be given to the owner on replacement or on modifications to the system that would make the system more energy efficient. An alternative option is offered to implement in Member States, instead of inspections, information and advice campaigns having at least the same impact as inspections.

As with the previous Directive, the Recast EPBD requires regular inspections of accessible parts of heating system (> 20kW). The Directive also specifies that heating systems with boilers of an effective rated output of more than 100 kW shall be inspected at least every two years. For gas boilers, this period may be extended to four years.

**Air conditioners inspections:
EPBD 2002/91/EC and Recast 2010/31/EU**

Under the 2002 EPBD, Member States must implement mandatory regular inspections of air-conditioning systems, above certain threshold power levels, and produce recommendations for upgrade or substitution in certain cases.

Provision of appropriate advice to users on possible improvement or replacement of the air-conditioning system having the same impact has inspection can be provided as an alternative solution.

The Recast Directive also requires regular inspection of accessible parts of AC system (> 12kW). The Directive lets Member States free to decide the different inspection frequencies depending on the type and effective rated output of the air-conditioning system, whilst taking into account the costs of the inspection of the air-conditioning system and the estimated energy cost savings that may result from the inspection.

Electrical installations inspections:
European harmonisation document HD 60364
HD 60364-6

This harmonisation document requires that all new electrical installations to be verified initially by inspection and testing before connection and putting into service.

This document also provides requirements for the periodic verification by inspection and testing, in order to identify defects, damage and deterioration of equipment that may cause dangers.

Drinking water inspections:
Directive 98/83/EC on the quality of water
intended for human consumption

This so-called drinking Water Directive sets standards for water intended for drinking, cooking, food preparation or other domestic purposes, regardless of its origin and whether it is supplied from a distribution network, from a tanker, or in bottles or containers.

The Directive stipulates that Member States must take measures necessary to ensure that regular monitoring of the quality of water intended for human consumption is carried out, in order to check that the water available to consumers meets the requirements of this Directive. Inspection/monitoring have to be conducted, in the case of water supplied from a distribution network, at the point, within premises or an establishment, at which it emerges from the taps that

are normally used for human consumption. This means that inspections have to be carried out in occupied/inhabited buildings directly at the tap.

Professional – commercial buildings environmental inspections:
Recommendation 2001/331/EC providing for
minimum criteria for environmental inspections
in the Member States

This recommendation aims to meet this need by putting forward minimum criteria for organising, performing, following up and publishing environmental inspections. However, they are not binding on the Member States.

This Recommendation covers environmental inspections of all industrial installations, companies and facilities subject to authorisation, permit or licensing requirements under current EU environmental legislation („controlled installations“).

Inspection entails the following:

- checking that installations comply with EU environmental requirements;
- monitoring the impact of installations on the environment.

The following actions are planned: site visits, monitoring compliance with environmental quality standards, inspecting environmental audit reports and statements, checking premises and equipment, checking the suitability of environmental management and of the relevant records.

Asbestos inspection:
Directive 83/477/EEC on Asbestos Worker
Protection and amending acts

The basic premise of the 1983 Asbestos Worker Protection Directive is to protect workers against risks to their health from exposure to asbestos at work.

The Directive has been amended over the years, most recently by Directive 2003/18/EC. The main components of the EU asbestos legislation impose among others that employers have to notify the competent authority of details such as the location of the workplace using asbestos and the measures taken to limit asbestos exposure.

On the basis of this European legislation and in order to identify where asbestos is present, many EU Member States have made compulsory inspection and technical qualitative control on the existence of asbestos in building built before the mid-1990.

**Certification/assessment on flooding risks:
Directive 2007/60/EC on the assessment and
management of flood risks**

This Directive now requires Member States to assess if all water courses and coast lines are at risk from flooding, to map the flood extent and assets and humans at risk in these areas and to take adequate and coordinated measures to reduce this flood risk.

In many Member States on the basis of this Directive and national legislation, certification on risk from flooding have to be provided and disseminated to potential buyers.

EXPECTED UPCOMING INSPECTIONS

Water saving inspections:

Expected Commission Proposal for a Water Performance of Building Directive (probably proposal for 2012)

The EU's Water Framework Directive (WFD) already requires Member States to introduce water-pricing policies with incentives for efficient water use, but the directive does not set standards for consumer products or otherwise address water demand management issues.

On the basis of the experience gained with the Energy Performance of Building Directive, the European Commission is studying the possibility to introduce binding rules to promote water savings in public and private buildings, including promoting the use of grey water.

This Directive will most probably calls for a water performance certification of buildings.

**Eco labeling of buildings:
Discussion with the European Commission DG
Environment**

Within the European Commission DG Environment

discussions have taken place about the possible introduction of an eco-label for buildings. If this possibility is still an internal discussion, the introduction of such a labeling scheme could generate new certification obligations for building owners.

CALLS FOR ADDITIONAL INSPECTIONS

Regular inspection of electrical installations

The argument developed by the professional organisations is that in order to maximise the security of homeowners, tenants and installers, regular and systematic inspections of the electrical systems of buildings should be made compulsory by the Commission.

Regular inspection and maintenance of technical building equipment

The argumentation used is that a clear, binding and coherent system for the regular inspection and maintenance of all technical building equipment has the potential to increase energy efficiency. So far the European Commission only proposes (in the EPBD) some inspection requirements for boilers and cooling and air-conditioning systems.

Several professional organisations in the sector call for an initial inspection on performance- and safety-related criteria for all types and sizes of technical building installations. They also require that for each installation, a maintenance contract should be signed, on the basis of which maintenance contract, technical building installations should be inspected on a regular basis and shortcomings should be re-established through maintenance works. This should become a legal obligation emerging from the EU. According to them, this inspection should include electrical installations, space heating, ventilation, air conditioning, sanitary installations.

Last Update, February 2011

Conclusions of UIPI event on Property Restitution, Brussels, 30.11.2010: Property restitution should not remain incomplete!



On Tuesday 30 November 2010, the UIPI held an event on property restitution in the Western Balkans. This event gathered representatives from associations of dispossessed property owners from Albania, Bulgaria, Croatia, Romania and Serbia, UIPI member associations, researchers and experts on property restitution, the vice president of the European Parliament **Mr. Edward McMillan-Scott** and representatives from DG Enlargement and other EU authorities.

At this occasion, the still open UIPI Petition to the European Parliament (N°0665/2006) as well as the study "Private Property issues following a change of political regime in Albania, Bosnia and Herzegovina, Croatia, Romania and Serbia", commissioned by the European Parliament to the Romanian Academic Society, were presented. The ethical and legal aspects of property restitution were also discussed. Finally, to provide additional insights into the situation, representatives of property owners' organisations from countries of the Western Balkans were invited to share their views on and their concrete experience with the restitution process in their country. They were also asked to comment on the content of the study.

The situation depicted remains source of concerns in these countries that have joined

the EU or are aiming to do so. *"Property rights are protected by international conventions and European texts such as the European Charter of Fundamental Rights. They are human rights and basic rights of European Citizens. They are the basis of our democracy and modern economy. Yet if the principles of property rights were restored immediately after the fall of the Communist system, the consequences of previous violations remained intact for a long time and the restitution law finally adopted were far from providing fair compensation in most of these countries."* said Edo Pirkmajer, Vice President and President of UIPI Restitution Committee.

Representatives of dispossessed property owners in the region expressed their dissatisfaction with the slow and inadequate way in which the claims for property restitution are handled in their countries. They pointed out that compensations in form of equivalent real estate or titles from a Property Fund as offered in some countries proved sometimes to be an unfulfilled promises. Besides that some judgements of the European Court of Human Rights summoned some countries to conform to this practice. They also objected the practice that, even in cases when confiscated properties were return, the owners were prevented of their peaceful enjoyment, especially in the field of housing.

Therefore, the UIPI continues campaigning to support the millions of remaining dispossessed families in the Western Balkans. Well aware of the limited competences of EU bodies in this field, the UIPI believes that the EU and in particular the European Parliament can still put political pressure, especially on countries that have not yet joined the EU.

As stressed by **Mr. Edward McMillan Scott MEP**, Vice-President of the European Parliament and Member of the European Parliament Petitions Committee, during the event: *"The worst thing the Parliament can do is to offer unreasonable hope. What it can do however is to put pressure"*. For these reasons, in conclusion of this event, in the Declaration drafted by UIPI Executive Commit-

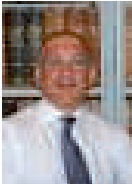
tee, the UIPI calls on the European Parliament Petitions Committee to bring the problem of Property Restitution to the attention of the Plenary by adopting a Resolution on the problem of Property Restitutions in Balkan countries. It would send a clear political signal to the governments of the countries concerned. It also calls on the European Parliament competent bodies, including the delegations for relations

with the Balkan countries, to address the issue in their dialogue with the countries concerned.

For Stratos Paradias, President of the UIPI:

“Property restitution has been one of the most difficult legal, financial and social problems following to the fall of the Berlin Wall, but there is still time to find the right solutions, wherever they have not yet been found”.

Human rights violations and violations of property rights



By Giovanni Gagliani Caputo,
General Secretary of Confedilizia,
Italy

1. Introduction

The principle established in article 17 of the Universal Declaration of Human Rights, which was promoted by the United Nations (UN) in 1947 and subsequently concluded by United Nation Member States in Paris on the 10th of December 1948, represents the basis for the legal acknowledgement of property rights. The above-mentioned Declaration – which forms, along with the UN Charter, the backbone of the UN system – was aimed at, on the one hand, concluding the long process of recognition of rights and freedoms to which all women and men are entitled, through more efficient procedures of international protection, and, on the other, guaranteeing a wide application in Member States of the principles established by the Declaration.

On the 1st of December 2009, the Treaty of Lisbon became effective in the European Union (EU). This Covenant absorbs the progress made in human rights protection over the years, including the principle of private property, which is considered a fundamental freedom, thus strengthening the democratic legitimacy of the EU and highlighting the principles that are at the basis of the Union itself. Furthermore, the Treaty of Lisbon provides the EU with modern institutions and optimal working methods in order to respond more efficiently to the challenges of the current world.

Despite the best intentions and the multilateral agreements concluded, there are still rights that lack an adequate protection on both national and

international levels. Governments will be bound to discuss the great topics of the 21st Century and the right to private property, because of its economic and social importance, cannot (and, most of all, must not) be neglected.

There are, to this day, States in which property rights are not fully respected. Even in most democratic States such rights are systematically violated both directly, by means of expropriations without sufficient compensations, and indirectly, through excessive taxation, strict rental legislation and radical environmental regulations.

2. The role of UIPI

The UIPI (Union Internationale de la Propriété Immobilière) represents, since 1923, property on an international level by containing the national organizations for property and real estate. Italy is represented by Confedilizia (Confederazione italiana della proprietà edilizia). The UIPI's main goals are:

- representation of property right owners at European and International institutions;
- accurate and continuous information on property right owner positions regarding European and international real estate regulations;
- denunciation of violations to the principles of property protection on national and international levels, with the support of the involved national organizations;
- promotion of initiatives aimed at improving living in urban and extra-urban communities.

In order to pursue its goals, the UIPI considered the research and monitoring of the level of respect for human rights and fundamental freedoms in the world as a necessary action to take. With regard to this, the UIPI drew the EU's attention towards violations of property rights: albeit their inclusion in the Universal Declaration of Human Rights, keeping the attention high on these themes is of vital importance.

The UIPI, since its foundation, never cut back efforts to help national property associations, especially in Eastern European countries (such as Germany, Poland, Czech Republic, Slovenia and

Croatia), so as to reach the restitution of property expropriated from the legitimate owners during the communist regimes.

The results achieved, even though significant, have not wholly met expectations; as a matter of fact, the UIPI is still at present engaged in supporting Balkan States (Romania, Serbia, Albania, Bulgaria and Bosnia-Herzegovina) for the protection of property rights, as can be observed from the data included in this paper (Tables 1, 2 and 3).

UIPI official statements on this matter have been presented and illustrated to the public opinion in many national and international contexts, in congresses as in workshops, often lamenting the persistence of property rights violations over time.

TABLE 1:
Romania: Collective ownership of agricultural land

Year	Land Surface	Number of Families
1949	14.693	4.042
1950	288.900	67.700
1955	1.301.200	390.400
1956	1.837.500	683.300
1957	3.607.600	1.458.300
1958	4.501.700	1.848.000
1959	5.601.760	2.100.000

Source: Iancu (2001)

3. The situation in Europe

The UIPI instituted a Working Panel, which enquired the problems in private property in the above-mentioned States, and its results can be summarized as follows:

- Germany: the properties expropriated under the Soviet rule (1945-1949) have not been returned and the owners have been granted derisory compensations, greatly lower than the market value for their expropriated property.
- Poland: after a long period of disputes, a law was finally approved that provides for the restitution of 50% of confiscated properties. The law, however, excluded from such provisions all polish nationals living abroad without polish citizenship, and all their descendents.
- Czech Republic: two distinct laws were ap-

proved in 1990 and in 1994, providing for the restitution of properties to their former owners. The Constitutional Court extended this benefit to those who live permanently abroad. There are, nonetheless, many unresolved cases. Another factor that weakens the effectiveness of the norm is the continuous presence of tenants in the properties that should be returned, against the payment of a symbolic rent.

TABLE 2: Land Ownership, 1945

Land-owner class	14.450 ha	3,67%
Rich proprietors	87.970 ha	22,37%
Middle & small property owners	237.668 ha	60,44%
God-fearing Agency	3.163 ha	0,80%
State-owned property	50.000 ha	12,71%
Total	393.251 ha	100%

Source: Association of ex-owners "Property with Justice"

TABLE 3: Residential property confiscated, nationalised and expropriated by Romanian communist authorities, 1945 – 89

Decade	Legislative framework	Number
1940s	L. 187/1945, decree 83/1949	1.263
1950s	Decree 92/1950, decree 11/1951, decree 224/1951, decree 513/1953, decree 409/1955	139.145
1960s	Decree 218/1960, decree 712/1966, L. 18/1968	4.662
1970s	L. 4/1973, decree 223/1974	62.116
	Unspecified	33.882
	Total	241.068

Source: Stan (2006)237 quoting the Official Journal part II, 11 June 1994, p.9.

- Slovenia: a law has been issued regarding the restitution or compensation for most former owners. The procedures, however, are so complex and woolly that, thirteen years following their introduction, there still are more than 20% of unresolved cases.
- Serbia: the greatest part of properties have been confiscated or nationalized and no adequate legislative measure has been adopted for the restitution to the legitimate owners.
- Croatia and Bulgaria: there are legislative measures in force for the partial restitution,

but these procedures require years before the owners may re-enter into possession of their properties.

- Albania: the Parliament has passed a law for the restitution and compensation to the original owners, but this law is now under close examination by the Constitutional Court. These measures are also carefully scrutinized by the European Union, in order to verify if these measures fully respect property rights.
- Romania's case is emblematic of the problem: properties have been confiscated in different periods of time and with different pretexts. The current Government seems determined to solve the issue of restitutions, both for urban and agricultural property.

Finally, some States that have partnerships with the EU have eliminated prohibitions intending to limit the acquisitions, by neighbouring populations, of real estate. Croatia, for example, which will conclude the procedure for the accession to the EU in 2011, has abrogated the sixty-year old law that prohibited Italians to purchase properties in Istria. Since 1991 – since Croatia's declaration of independence from Yugoslavia – the Croatian real estate market has opened to foreign investors, except the Italian ones. This discrimination followed from the controversies created during the Second World War and the territorial disputes (over Pola, Fiume and Zara). Notwithstanding the recent efforts, the current procedure for the purchase of property in Croatia by Italian nationals is still subject to the granting of a Croatian authorization, issued by the Croatian Ministry of Justice, or to the constitution of a legal Croatian company who would then become the registered holder of the property in question. There is yet another obstacle to transactions regarding property in Croatia: if a property happens not to be owned by the Croatian State or by a Croatian citizen, it could belong to the category of property abstracted from the exiled and, therefore, be under contentious procedure (recent statistics show that 80% of agreements of willingness for contracts of sale underwritten by Austrian and German nationals fall under this category and are, thus, frozen).

Given the results of the above-presented research, UIPI's Executive Committee thought it convenient to get the European Parliament involved in the issue, and presented a petition (665/2006) with which it demanded clarifications on the protection of property rights in Europe. The Petitions Committee decided to research the problem in depth in order to clarify the situation, and ordered two distinct studies by external institutions.

In May 2010, in the Petitions Committee of the European Parliament, presided by Honourable Erminia Mazzoni (from the PPE Parliamentary Group), the results of the two studies were presented:

- *"Private properties issues following the change of political regime in Albania, Bosnia and Herzegovina, Bulgaria, Croatia, Romania and Serbia"* carried out by Laura Stefan from the *Romanian Academy Society* in collaboration with the Centre for Liberal Strategies from Bulgaria and the *Partnership for Social Development* from Croatia.
- *"Private properties issues following the regional conflict in Bosnia and Herzegovina, Croatia and Kosovo"* conducted by Michaela Salamun, Tatjana Josipovic, Meliha Povlakic and Evis Halili (Baholli) from the University of Graz.

The researches, that show how complex the restitution process is, commence from the properties confiscated by the Governments or Authorities of Central and Eastern European States during the Second World War, specifically in the period under the Communist regime.

The geographical area of investigation was limited to European Union member States and to the other States in the Balkan Peninsula. In addition, it concerned the situation in candidates and in potential candidates to EU accession (Albania, Bosnia and Herzegovina, Croatia and Serbia). The key goal of the studies was to evaluate, from an economic, financial and social point of view, the scale of the problem pertaining to the properties to be returned and the actions undertaken in this direction by the implicated States. The

political debates on these issues were closely analysed in each State, and all legislative and administrative measures attempted by these States were examined and outlined.

The starting point was the evaluation of property registration systems in the Ex-Yugoslavia area. Here, a double system, similar to the Austrian and Bulgarian systems, was adopted: the Registry and the Cadastre carry out two different tasks. The Registry is in charge of the definition and legal assessment of a property, whilst the Cadastre deals with everything connected to the factual details of a property. This system was in use in all the Former Yugoslavian Federation since 1931 (except for Kossovo-Metochia, as it was then called), continuation of the old Ottoman Tabien system. After 1945, all expropriations and requisitions were registered in detail on special property registers. This is of considerable importance, in that this system enables to identify on which grounds the property was confiscated and, consequently, define the actions necessary for the restitution.

Owing to the war the process of restitution got more complicated in these areas of Europe. In particular, an assessment was made of the concrete measures implemented by each State and suggestions were formulated for the purpose of improving the restitution process.

Moreover, the studies address in detail the role of international law, as well as the role of the European Union with reference to the European Court of Human Rights.

Once the Communist regime was overcome, all the analysed countries became members of the Council of Europe, an intergovernmental organisation created in 1949 with, today, 47 members – that means almost all European countries (see Table 4).

TABLE 4:
Dates of Accession to the Council of Europe

Country	Date of ratification ECHR
Albania	2.10.1996
Bosnia Herzegovina	12.7.2002
Bulgaria	7.9.1992
Croatia	5.11.1997
Romania	20.6.1994
Serbia	3.3.2004

Among the Council of Europe's main goals there are the development and preservation of democracy, the respect for human rights and the rule of law. The Council has promoted several agreements and documents, and one of the most significant is the Convention for the Protection of Human Rights and Fundamental Freedoms. This Convention does not only list and define the main civil and political rights, but also introduces an innovative mechanism for the collective reinforcement of such rights through the European Court of Human Rights (see Tables 5 and 6).

Almost 70% of appeals against Romania have been declared inadmissible, as have been approximately 80% of those against Croatia and around 60% of those against Bulgaria. There is no statistical information on how many of those appeals regarded expropriated property during the Communist regime. The Court's database only contains information on the admissibility rulings made by a seven-judge Chamber, and nothing on the applications assigned to a three-judge Committee. In addition, it is convenient to note that the total number of decisions of inadmissibility relating to confiscated property under the Communist regime may give a simple indication of the real number of cases declared inadmissible.

The Court declares the inadmissibility of an application for various reasons, most of which refer to articles 34 and 35 of the Convention. The first comma of article 35 provides that the appeal should be lodged within a period of six months following the last judicial decision in the case (which will usually be a judgment by the highest court in the country concerned). The second comma sets out that the appeal should not be substantially the same as a matter that

has already been examined by the Court or has already been submitted to another procedure of international investigation or settlement and contains no relevant new information.

TABLE 5:
Statistics on cases before ECtHR, all six countries

Country	Total number of Applications pending	Number of applications declared inadmissible	Number of judgments finding violation	Judgments finding a violation of Right to property *
Albania	228	139	18	9
Bosnia Herzegovina	2.071	861	13	7
Bulgaria	2.728	4.164	292	35
Croatia	979	4.332	170	4
Romania	9.812	19.417	646	372
Serbia	3.197	2.455	40	5

* Article 1 of Protocol No. 1

TABLE 6:
Number of applications declared inadmissible before the ECtHR 1998-2009

Country	Total number of applications allocated to a judicial body	Number of applications declared inadmissible	%
Albania	380	139	36%
Bosnia - Herzegovina	2.948	861	29%
Bulgaria	7.099	4.164	58%
Croatia	5.455	4.332	79%
Romania	28.883	19.417	67%
Serbia	5.356	2.455	45%

According to UIPI representatives, who attended the Petitions Committee meetings, the studies, to be exhaustive, must face the following issues in detail:

- I. Evaluate the property that could be subject to the process of restitution. For each State, the type of property subject to restitution should be defined.
- II. Give an estimate of the actual financial value of the goods subject to restitution; the State

will have immediate financial and budgetary repercussions when adopting the system of compensations and indemnities.

- III. Assess the economical and social consequences originating from the restitution system of compensations and indemnities; for example, analysing the difficulties (in terms of costs) of the original owner of a confiscated property and those of the current possessor who could, in some cases, be holding the property from decennia.
- IV. Analyse which legislative measures have been undertaken by the States involved in the process: starting from the legal and administrative systems, consider constitutional provisions, national legislation and their implementation.

Furthermore, the following aspects should be verified:

- the conditions connected to the citizenships;
- the different restitution and compensation methods;
- the administrative proceedings and the management of restitution requests;
- the possible assistance of a mediator in the legal and/or administrative proceedings;
- the presence or absence of minorities or different religious groups.

The UIPI identified the principal factors that did not allow the solution of the problem, and they are:

- insufficient political will;
- delayed adoption of specific legislation for the restitution of confiscated property;
- scarce clarification of procedures for compensation;
- lack of funds for the payment of indemnities.

There is a further observation made by the UIPI on these two studies, and it relates to the working methods used by the experts; the analysis considered a too restricted number of cases, with respect to the actual scale of the phenomenon and its complexity. What is more, the researchers only gathered data from the offices of the involved Governments without taking into account any information or useful facts from those directly

hurt by the problem. In this way, only a partial examination of the situation was achieved, and this led to the conclusion that the problem of property restitution is partially completely settled and that the other part cannot be solved.

4. Conclusions

The UIPI, at the European Parliament's Petitions Committee sitting, pressed for and secured that the petition remain open, so to give European Parliamentarians, interested Governments and organizations representing confiscated property owners the opportunity to further investigate the question and gather additional information.

Moreover, the UIPI has engaged in the organisation, in the next autumn at the European Parliament, of a one-day event on the theme, calling on all representatives and institutions of the States involved. *"Keeping the matter open – stated President Stratos Paradias – sends a direct message to Governments, indicating that the European*

Parliament has attentively studied the subject and sees that national institutions get concretely activated in finding a solution and thus respond to all the European citizens that are forced to fight, from generations, for the recognition of their property rights".

With the fall of the Berlin Wall, over twenty years ago, and with the dissolution, more recently, of many Balkan regimes following the eclipse of the Communist ideology, millions of Europeans regained freedom, but most of them did not regain possession of their property! The UIPI, for the purpose of drawing the European institutions' and national governments' attention to the subject, underlined the noteworthy role of the right to property in the economy and in society, and has declared the 10th of December as "World Property Day". On the same day as the celebrations for the signing of the Universal Declaration of Human Rights, it is vital to remind all States that the right to property as a fundamental freedom is a human right, and as such should be defended from all abuses.

Fundamental decision of the ECHR concerning property restitution in Romania



By Cladius Mott, Asociatia pentru Proprietatea Privata APP, Romania

The European Court of Human Rights ECHR issued a fundamental decision concerning Property Restitution in Romania in a so called pilot process¹, on property restitution in Romania. This issue might have important repercussions in former communist countries with similar problems.

The Court resorted to this option because the restitution process evolved at an extremely sluggish pace: according to statistics supplied by the Romanian Authorities: in May 2010: 202.782 claims had been registered under Law 10/2001, but only 21.260 "compensation certificates" had been issued (about 10,5 % of the claims, in nearly 10 years). From these claimants, only 3.850 persons have received payments!

This led to an important number of condemnation of the Romanian state (it occupies the 3rd or 4th position concerning the number of condemnations among the states of the European Council, and even the first among the EU countries) .

The pilot decision of the ECHR: Applications nos. 30767/05 and 33800/06, Maria Atanasiu and others. here are some excerpts from the decision:

„The Court notes that, unlike Broniowski and Hutten-Czapska, both cited above, in which the failings in the domestic legal order were identified for the first time, the present case comes to be considered after several judgments in which the Court has already found a violation of

Article 6 § 1 of the Convention and Article 1 of Protocol No. 1 on account of the shortcomings in the Romanian system of restitution and compensation”

„This situation represents a threat to the future effectiveness of the Convention machinery”

And finally: „the Court considers it imperative that the State take general measures as a matter of urgency capable of guaranteeing in an effective manner the right to restitution or compensation while striking a fair balance between the different interests at stake.

1. The Court reiterates that the aim of the pilot-judgment procedure is to allow the speediest possible redress to be granted at domestic level to all the individuals suffering from the structural problem identified in the pilot judgment.

The Court grants the Romanian State 18 months time to enforce the necessary legislation and restitution procedure changing.

¹ Case of Maria Atanasiu and others (Applications nos. 30767/05 and 33800/06)

A Proposal for Collaboration between UIPI Member Associations



By **José M. Montané Martínez**,
Secretary of the Spanish Confederation of Chambers of Urban Property and Urban Property Owners' Associations, Barcelona

The Treaty of Lisbon in December 2009 consolidated the free circulation of people, goods and capital within the scope of the European Union, which means a significant exchange of reciprocal interests.

The real-estate market (both home sales and rentals) in the tourist destinations of the Mediterranean coast has become very important, as many people from different countries acquire a second residence to enjoy vacations and periods of rest. Some even settle in Spain after reaching retirement.

The flow of workers and professionals to and from the different countries in the European Union is also very important, and will be even more so in the future.

The complexity of civil and tax laws and regulations involving real-estate property in the different countries requires, as a basic measure of prudence, that real-estate operations be made under the direction and advice of professional experts in the field. This helps avoid situations of insecurity or irregularity – or even fraud – in the transaction, and provides agility, reliability and savings in the legal transactions required between seller and buyer.

The complexity in such transactions is often worsened by a mutual lack of knowledge of the respective languages and legislations, and not having a person or institution of trust to whom one can resort in order to be properly advised or

guided through the ins and outs of real-estate transactions.

Given the existence of legally organized Owners' Associations in the various EU countries, which are confederated through the International Union of Property Owners - UIPI, it would be convenient and useful to all owners interested in selling or renting first or second residences in countries other than their own, being able to rely on the assistance of such institutions.

The members of the UIPI, by means of a service reciprocity protocol, can conduct studies on the legal ownership and charges or liens that may encumber the properties being sold or bought; provide tax advice on the transaction; provide urban planning advice on the condition of the dwelling and the possibility that it may be subject to city planning actions; provide information about the quality of the construction; do all the paperwork even in case of having to apply for bank financing; guidance in insurance, leasing, and anything that may be convenient or necessary for the correct understanding by the user of the operation in question.

With the intervention of UIPI interested member associations, real-estate transactions by interested individuals would be carried out with the highest level of assurance and the lowest fiscal cost, always in compliance with the respective national or state legislations in such matters.

An example of an innovative service to members: Villaägarnas New Membership Card



By Gunnar Jansson, President, & Carl Slånemyr, Vice-President of Villaägarnas Riksförbund

Villaägarnas Riksförbund (Swedish Homeowners Association) introduces a new and innovative service to their members: A membership card which works like a free credit card, and which will manage all special offerings available to the members.

Villaägarnas Riksförbund

Villaägarnas Riksförbund is a national organization working to promote and protect the interests of homeowners in Sweden, today and in the future – thereby making life easier for homeowners. 321 000 households are members and they are found throughout the whole country.

The main office of Villaägarnas Riksförbund is located in Stockholm. The national organization comprises eight regional organizations and 250 local offices. Each geographical region has their own regional office.

The Association does public relations work and also communicates the key interests and needs of homeowners to the heads of various government bodies, as well as to other influential opinion leaders. The Association offers various member benefits and discounts, as well as free professional advice. In addition, members also receive the Association's magazine, *Villaägaren*, five times a year.

The goal of our member benefits is to offer a wide selection of products useful to homeowners, services that meet members' demands and to enable members to save both time and money. During the years we have developed agreements with hundreds of companies arranging different types of discounts. These efforts have indicated two significant barriers to create more, better and usable discounts.

The first barrier; it is almost impossible for our members to keep up-to-date with which different discounts are available and what the entail. This means that several of our members make purchases in stores where discounts are available without being aware. The bottom line – unknown discounts are worthless.

The second barrier; the major stores have dismissed creating discounts for our members. The main reason for this was not due to lack of interest, rather there was a conception that it would be impossible to administer the discounts manually at each transaction. The sales person had to verify memberships and also have knowledge regarding the specifics of the benefit. With several hundreds of employees and significant turnaround, this simply was not viable.

Early on Villaägarna realized that the solution was a credit card, which would work as a membership card, and also would manage the discounts available.

The next problem was to find a bank which would offer rates good enough that our members would accept it; something of a challenge considering that many feel an aversion towards adding another credit card.

Villaägarnas New Membership Card

VR's new membership card is a modern debit- and credit card without annual or transaction fees. The idea is to provide the members with an advantageous card which can be used for purchases and simultaneously save time and money. The Terms and Conditions of the card are

among the best currently available and provides members with freedom of choice when needed.

For the member, the card works as a traditional credit card; accepted in all stores where MasterCard is accepted, the difference is that when a purchase is made in a store with an agreement, the discount is automatically enforced regardless of the customer's awareness of the discount or not. The card has presented Villaägarna with new opportunities with major retailers, as these now realize there are better possibilities to create advantageous offerings than before.

Simultaneously as developing our new membership card, Villaägarna introduces a new homepage. Previous agreements have been text based, and unable to present or sort with any other method. Our new agreements are developed so that, for example, an industry or geographic specification is part of the description. This allows presenting and sorting the agreements differently from before. As an example; one can provide a zip code and be presented with all offerings within that area, or a chosen category.

Of course we have developed apps for smartphone, which by using the GPS capabilities, will manage special offerings in an area where the member is located. Even here the member is able to select all benefits or a specific category; hotels, restaurants, golf, fashion stores or whatever might be of interest.

The card was introduced during the fall of 2010 and the new homepage will go live during the spring of 2011, this means that this project is still in phase one, however we feel that at the time of writing this article (March 2011) that the card has been well received by our members and has met our expectations.

In the future we foresee possibilities to cooperate with the bank administering our membership- and bank card to develop additional bank services and products with the name Villabanken.se. **Villabanken.se** is expanding its services – beneficial savings accounts and membership loans / mortgages, always for the real benefit of our members!

ABOUT UIPI



The International Union of Property Owners – Union Internationale de la Propriété Immobilière A.S.B.L. (UIPI) is the leading organisation for

individual owners and private landlords in Europe.

Founded in 1923 in Paris, the UIPI is an international not-for-profit association. With 27 member organisations, the UIPI represents more than 5 million property owners in 25 countries across Europe.

The property owners represented by the UIPI range from individual home owners, private landlords with a single bedroom flat or multiple-occupancy houses, to landlords with large property portfolios in the private-rented and commercial sectors. The UIPI also supports dispossessed property owners in former communist countries.

The voice of property owners

The mission of the UIPI is to protect and promote the interests, needs and concerns of home owners and landlords at national, European and international levels.

Based in Brussels, the UIPI makes representations on behalf of its members to the institutions of the EU. It monitors developments at the EU level and seeks to influence those areas of EU legislation and policy that have an impact on real estate, the building sector, the private-rented sector and property rights. The UIPI also seeks to influence events affecting the property sector in an increasing number of international bodies.

UIPI priority areas

The UIPI is involved in many issues, including general housing; taxation and inheritance concerns;

technical matters and new regulations such as energy saving in buildings; the private rented agenda; as well as universal consumer rights and social responsibilities. The UIPI also supports property restitution and defends the fundamental human right to own property.

UIPI is an official partner of the *URBAN European Parliament Intergroup* and *Build Up*, a European initiative for energy efficiency in buildings.



UIPI is also a Campaign Associate of the *Sustainable Energy Europe* initiative.

The UIPI is registered in the European Commission's Register of Interest Representatives and is an accredited lobby organisation in the European Parliament.

UIPI Represents:

5
Million Property Owners

Including:	And:
3.5	1.5
Million Landlords	Million Home Owners

Through:	Across:
27	25
Member	Countries
Organisations	

Covering:	With:
20	5
Million Dwellings	Properties on average per landlords

UIPI Structure

UIPI President

- ✗ **Stratos Paradias**, President of the Hellenic Property Federation - POMIDA (EL)

UIPI Vice-Presidents

- ✗ **Dr. Rolf Kornemann**, President of Haus und Grund Deutschland (DE)
- ✗ **David Salusbury**, President of the National Landlords Association (UK)
- ✗ **Jean Perrin**, President of the Union Nationale de la Propriété Immobilière – UNPI (FR)
- ✗ **Michele Vigne**, Vice-President of Confederazione Italiana della Proprieta Edilizia – Confedilizia (IT)
- ✗ **Dr. Friedrich Noszek**, President of the Zentralverband der Hausbesitzer (AT)
- ✗ **Dr. Edo Pirkmajer**, Vice-President of the Association of Property Owners in Slovenia (SI)
- ✗ **Rndr. Tomislav Simecek**, President of the Association of House Owners of the Czech Republic (CZ)
- ✗ **Ulla Johansson**, Former President of Villaagarnas Riksförbund (SE)

UIPI Treasurer

- ✗ **Dr. Rudolf Steiner**, President of Hauseigentümergeverband Schweiz (CH)

UIPI General Secretary

- ✗ **Béatrice Laloux**, Director of the Syndicat National des Propriétaires (BE)

UIPI Assistant General Secretary

- ✗ **RA Dr. Kai Warnecke**, Stv. Generalsekretär, Haus & Grund Deutschland (DE)

Executive Committee Members

- ✗ **Stephen Faughnan**, Irish Property Owners Association (IE)
- ✗ **Hildur Hoiland**, Huseiernes Landsforbund (NO)
- ✗ **Luis Menezes Leitao**, Associacao Lisbonense de Proprietarios
- ✗ **Urmars Reinsalu**, Estonian Real Property Owners Central Union – OMANIKUD (EE)

- ✗ **Simone Commandeur**, Association des Propriétaires de Monaco (MC)
- ✗ **Giovanni Gagliani Caputo**, Confederazione Italiana della Proprieta Edilizia – Confedilizia (IT)
- ✗ **Auguste Lafon**, Union Nationale de la Propriété Immobilière – UNPI (FR)
- ✗ **France Bauvin**, Union Nationale de la Propriété Immobilière – UNPI (FR)
- ✗ **Agustin Pujol Niubo**, Confederacion de Camaras de Propiedad Urbana – CCPU (ES)
- ✗ **Richard Price**, National Landlords Association – NLA (UK)
- ✗ **Peter Batta**, Huseiernes Landsforbund (NO)
- ✗ **Carl Slånemyr**, Villaagarnas Riksförbund (SE)
- ✗ **Jette Malskaer**, Parcelhusejernes Landsforening – PL (DK)
- ✗ **Anna Nicolaou**, Cyprus Land and Property Owners Organisation – KSIA (CY)
- ✗ **Claudius Mott**, Asociatia Pentru Proprieta Privata (RO)
- ✗ **Barbara Grzybowska-Kabanska**, Polska Unia Wlascieli Nieruchomosci (PL)
- ✗ **Slavenko Grgurevic**, League for Protection of Human Rights (RS)
- ✗ **Agim Tartari**, Ownership through Justice (AL)
- ✗ **Mile Antic**, Property Restitution Network of Serbia (RS)
- ✗ **Petar Galanov**, Bulgarian Property Owners and Management Association – NOPUS (BG)
- ✗ **Sasa Novkovic**, Property Association of Croatia – SUVLAH (HR)

UIPI Brussels office

- ✗ **Emmanuelle Causse**, Head of Public Affairs
- ✗ **Yolande Roekeloos**, Office Manager

Contact details

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About UIPI's member associations

ALBANIA: National Association of Dispossessed – Ownership through Justice (PwJ)

The National Association of Dispossessed “Property through Justice” is an independent not for profit association created in 1991.

Our organisation

The association represents private property owners and landlords in the residential and commercial sector. The President of the association is Mr. Rrapo Hajredin Danushi and its General Secretary is Mr. Agim Toro.

Our goals and activities

The goals and objectives of the organisation are:

- Restitution of the properties unjustly taken by the State since 1945 or, in case of impossibility for the restitution of the above properties, the fight for a fair compensation;
- Protect and promote the interests of property owners;
- Represent property owners in local and national bodies;
- Influence the national/local decision-making process regarding restitution or compensation of properties and the relevant legislation;
- Provide services to members;
- Collect and disseminate information or issues linked to private property;
- The whole process of the Association is public and transparent.

The services and benefits provided by the organisation include:

- Legal assistance;
- Assistance in completing the necessary forms and applications;
- Assistance in filing with the courts pleas and legal actions.

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AUSTRIA: Zentralverband der Hausbesitzer (ZH)



The *Central Association (Zentralverband der Hausbesitzer)* of House Owner's is responsible for the development of the right of abode in the whole of Austria. The functionaries represent the majority of the house - land and flat owners in our country.

The Zentralverband der Hausbesitzer has its headquarters in Vienna, the Federal Capital, near to the parliament and town hall. In an apartment building built around the turn of the century the top floor was extended and designed for our lecture and representation rooms. In these rooms, work groups are established, if required, which determine the guidelines for the procedure in the case of legislative proposals about housing policy. Therefore regular contact is also maintained with the important politicians.

Furthermore the Zentralverband der Hausbesitzer offers its members manifold services, such as legal advice, insurance and financial advice. The members are also informed about relevant legal and social policy innovations in housing policy matters in a monthly publication „Haus und Eigentum“ [House and property].

Since 1.1.2011 the Zentralverband of House Owners has been restructured into the “Zentralverband Haus und Eigentum” (House and property).

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BELGIUM: Syndicat National des Propriétaires et Copropriétaires - Algemeen Eigenaars - en Mede-Eigenaars Syndicaat (SNP-AES)



The *Syndicat National des Propriétaires et Copropriétaires – Algemeen Eigenaars- en Mede-Eigenaars Syndicaat*

(SNP-AES), the Belgium association of property owners and co-owners, is a Belgian organisation independent of any political affiliations. For more than 30 years SNP-AES has worked to promote better conditions for all property owners.

Our organisation

SNP-AES has its HQ in Brussels with local offices in Antwerp, Arlon, Charleroi, Jodoigne, Gent, Hasselt, Kortrijk, La Louvière, Leuven, Liège, Mons, Namur, Oostende, Rixensart and Tournai. SNP-AES operates in both Flemish and French languages. The President of the SNP-AES is Mr. Alfred Devreux.

Our goals and activities

Initially, the SNP-AES primarily monitored the interests of landlords, however in recent years the association has increasingly concentrated its activities on people who own and reside in their property, generally apartments.

The SNP-AES promotes political issues and works to ensure the application of the law on proper management of the interest of property owners. The SNP-AES is a well-known actor in modern Belgium as concerns protecting the interests of property owners. The organisation regularly acts as an adviser on political issues and to associations and is regularly featured in the media. Recently, the SNP-AES was at the origin of a major reform of the Belgium condominium law.

The SNP-AES operations also include dissemination of information to members within many different areas: rental properties, sales, tax law, inheritance law, construction etc.

The SNP-AES offers a number of services and benefits to its members:

- The magazine entitled “Le Cri” in French and its Dutch equivalent “Eigenaars Magazine” is

published 10 times annually and contains current information on everything concerned with property ownership – using language easy for laypeople to understand.

- Specialist lawyers provide free advice to members per telephone. They also answer written questions by letter. These lawyers help to design all types of agreements and contracts and offer advice in legal disputes.
- Automatic, index-regulated monitoring of rental levels is a service that reminds members when it is time to review rents. Personally addressed letters with the legally established index regulation are sent to landlords who then only have to sign the letters and forward them to their tenants.
- Through agreements with specially chosen companies, the SNP-AES is able to offer its members products at advantageous prices. Products include insurance contracts, software, property advertising space and fire alarms.
- Recently, the SNP has also intensified actions and information documents to better inform its members about the new regulation on energy efficiency in buildings.

Finally, the SNP-AES develops and disseminates information material and various documents:

- The SNP-AES offers a complete set of contracts/ agreements – rental contracts for apartments, houses, stores, garages, employment agreements for caretakers, security staff etc.
- The SNP-AES publishes legal brochures, brief and easy to understand, adapted to the needs of people who have no legal training.
- The website at www.snp-aes.be is updated regularly. Here it is possible to calculate your own index regulation.

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BULGARIA: Bulgarian Property Owners and Management Association (NOPUS)



Национално Обединене за Права и Управление на Собствеността, the Bulgarian Property Owners and Management Association – NOPUS, was created in 2009 in response to the need to provide information and assistance to its members and all who want to join the organisation. NOPUS is the only national organization of private property owners and professional property managers of Bulgaria.

Our organisation

NOPUS is a non-profit association of private property owners and professional property managers of Bulgaria. NOPUS is a self-sustained organization and is totally independent of any other business. NOPUS is represented by a Management Board and the daily affairs are run by an expert council, formed by professional experts in the real estate industry. The President and founder of NOPUS is Mr. Petar Galanov.

Our goals and activities

The Union's main goal is to represent and defending the interests of all residential, commercial and land property owners of the country, even if they live abroad. NOPUS aim to:

- To oppose any legal speculation and illegal forms of control and manipulation to the property ownership;
- To protect acceptable levels of taxation on real estate;
- Do not allow the imposing of restrictions on property management and excessive burden of property ownership;
- To work to solve documentary problems;
- To assist in resolving restitution issues;
- To contribute to the improvement of legislation in the direction of more fairness to the owners of real estate;
- To work for transparent, fair and moral practice in property trading and management.

NOPUS provides services which every property owner needs - expert and legal assistance rela-

ted to the possession, sale or transfer of property, taxation, property management, registration of immovable property in the electronic cadastre, problems with regulation and urban planning.

Specialities:

- Legal advice on all matters affecting real estate
- Sales and Marketing
- Interior design
- Facility management
- Accounting
- Appraisal of real estate
- Insurance and claims assistance
- Advise on bad tenants and collection of unsettled rents
- NOPUS members only discount program
- Legal assistance in other countries through the network of the International Association UIPI.

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CROATIA: Property Association of Croatia (SUVLAH)

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CYPRUS: Cyprus Land and Property Owners Organization (KSIA)



The Cyprus
Land and

Property Owners Association (KSIA) is a national organization, which protects and promotes the

interests of all immovable property owners in Cyprus. Established in 1964, KSIA has always been the only association concerned with matters regarding the owners of property, private homeowners and landowners, all over Cyprus. KSIA is open for membership to any interested property owner or party and its annual subscription fee is € 50 to € 340. Financial benefits such as reduced insurance costs, monthly property newspaper etc. are such that outweigh the yearly subscription cost. Furthermore, KSIA offers free professional advice to its Members.

Lobbying central government, national agencies and local authorities at all levels, KSIA ensures that it plays a significant role in every existing or proposed law or regulation regarding the issues of concern. The concern of KSIA is to ensure that landlords have the right to own their property by the manner described in Articles 11-77 of the constitution of the European Union. And with this respect, the taxation of property, legislation on building permits and regulations, municipality levies on property, legal problems on property matters that affect the owner are all areas of concern.

Our organisation

The Association is operating through the Cyprus Chamber of Commerce and Industry and is located in Nicosia. The President of KSIA is Mr. George Strovolides, the Vice Presidents are Mrs. Anna Soteriades-Nicolaou and Mr. Spyros Spyridakis.

Our goals and activities

- To protect and promote the interests of the property owners;
- To ensure the passing of legislation and of regulations which are fair to the property owners;
- The professional assessment of problems concerning property;
- The continuous research on the making of government policies that affect property owners and the participation in all relevant discussions;
- The continuous upgrading and development of the benefits offered to the Members;

- Regular news on updated information on matters regarding property passed on to the Members;
- The exposure to the media and the regular contacts with Governmental Authorities and Political Parties to promote and stress the importance of immovable property on the economy as a whole;
- Representation of the property owners to all Local and International bodies.

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CZECH REPUBLIC: Association of House Owners of the Czech Republic (OSMD)



Občanské sdružení
majitelů domů, bytů
a dalších nemovitostí v ČR
www.osmd.cz

Občanské
sdružení
majitelů domů
bytů a dalších

nemovitostí v ČR, the Association of House Owners of the Czech Republic (OSMD) was founded in March 1990, only three months following the so called Velvet Revolution that swept away the ruling communist regime. OSMD's core objective in the initial years of its existence was to reclaim private real-estate property confiscated by the communists - mainly private tenement houses, and to re-establish standard democratic ownership rights. The former objective was successfully accomplished by the adoption of the so called (Property) Restitution Acts by the Czech Parliament. The latter task - full recognition of ownership rights, remains the focus point of all our efforts to this date. One of the key events in OSMD's history became the submission of nearly

5000 members' applications to the European Court of Human Rights in Strasbourg in 2005 - following the breakthrough verdict in the case of the Polish national Mrs. Hutten-Czapska. Unfortunately the Court has not adopted any resolution to this date (March 2009).

Our organisation

OSMD is a concerned civic non-profit organization working on a national scale having its main office in Prague with branch offices in the towns of Brno and Pilsen. At present OSMD affiliates more than 6000 members. The highest body is the General Assembly convoked annually. In the intermediate period the Association is managed by a 9 member Executive Board, presided by Mr. Tomislav Šimeček.

Our goals and activities

Constant effort to enforce property rights of its members (owners of family, tenement and commercial houses) OSMD in particular aims to secure its members with the full extent of fundamental rights such as the right of possession, disposal and taking benefit from ones real-estate property in a way that would not disadvantage real property owners from other forms of ownership. OSMD aims to introduce standard market conditions in the rental housing sector. OSMD endeavors to secure the rightful interest of its members in the area of administration, management & protection of their property.

OSMD's main activities are:

- Presentation of new legal initiatives prepared either directly by OSMD or in cooperation with governmental or parliamentary legislators. OSMD also takes part in consultation procedures on new Acts effecting real property owners.
- Natural counterbalance to the growing populism of left wing socialist politicians (OSMD representatives often attend television, radio or press releases)
- Professional technical & legal advisory service to its members. Each member also receives a free copy of the quarterly magazine *Strecha* (Roof).

- OSMD is an active member of the International Union of Property owners - UIPI.

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DENMARK: Parcelhusejernes Landsforening (PL)



Parcelhusejernes Landsforening (PL), the Danish Private House Owners' Association, is the only national organisation working to promote and protect the interests

of homeowners in Denmark. PL represents and provides member services to its 25.000 members and 500 local community associations. Denmark has approximately 1,2 million detached and semi-detached houses that are used as permanent homes. Housing in Denmark is predominantly private. 60 % of the housing stock is self-owned.

Our organisation

The main office of PL is situated in the Copenhagen region. The association was the result of a merge in 1977. 10 % of the members are direct members of the Organisation and 90 % of the members are affiliated with one of the 500 local community associations. Through PL's Magazine "MIT HUS", PL keeps in contact with the members as well as more than 5000 local community associations who aren't members of PL with a total of more than 400.000 members in these. The local community associations are without cost's offered their own Intranet and homepage facilities in combination with and integrated in the PL homepage solution to members www.parcelhus.dk. This homepage has a large "members only" area.

The local associations are represented directly in the biannually Congress, which is the top ranking

decision making body of PL. The Congress elects the executive committee that has the overall responsibility for activities in PL. Each region has a regional committee that is elected by the regions' local societies.

The President of PL is Mr Allan Malskær.

Our goals and activities

The Association does public relations work and also communicates the key interests and needs of Private House Owners to various government and municipal bodies, as well as to other influential opinion leaders. The Association offers member benefits and discounts, as well as free professional advice. In addition, members also receive the Association's magazine, MIT HUS 4 times a year.

The purpose of the campaigning work is to get political decisions that protect the interests of homeowners, reduces the heavy taxation and strengthen Private House Owners as consumers.

The objective of our expert panel is to offer members the benefit of free advice in all areas relating to home ownership.

The goal of our member benefits is to offer a wide selection of products useful to homeowners, services that meet members' demands and to enable members to save both time and money.

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**ESTONIA: Estonian Real Property Owners
Central Union (OMANIKUD)**



KODUOMANIKUD

Our organisation

OMANIKUD represents more than 50.000 homeowners.

Our goals and activities

OMANIKUD's goal is to facilitate access to ownership to everyone. We support home owners by conducting joint initiatives and supporting actions. In today's difficult social and economic situation, OMANIKUD's objective is to fight against rising costs and property tax, and all other burdens upon the shoulders upon property and building owners.

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FRANCE : Union Nationale de la Propriété Immobilière (UNPI)



The Union Nationale de la Propriété Immobilière (UNPI), the French National Union of Property Owners was founded in 1893. It is a very respected and influent organisation which is very active on the national level and is one of the main partners of the French government and French Parliament on all housing problems. UNPI actively participates in all the debates about housing, property investments, renting problems.

Our organisation

UNPI is run by a general committee which meets three times a year, a board which meets five times a year and a directorate which meets about five times a year. UNPI has about 250 000 members organised in 120 local chambers of property owners throughout France.

The local chambers have close relations with local officials and also offer free advice on legal and technical matters to owners who want to rent their property or who are responsible of collective housing units. The chambers are run by property owners who give their time freely.

Mr. Jean Perrin has been President of UNPI since October 2004. President Perrin is consulted regularly by the French government: he just gave a study to the Housing minister about energy saving in housing, and another about modifications to be made in the list of expenses that landlord may recover from tenant. His report attracted much interest in the French news. He is asked to participate to debates and interviews to televisions, news papers and magazines more than a fifty times per year to comment real-estate linked subjects.

Our goals and activities

- Defend the right to ownership which is inscribed in our Constitution. UNPI is the sole association recognised by the Administrations for representation of private landlords. To make partners know its politics, UNPI publishes his "Livre Blanc" in which an annual large overview of the real-estate situation is made to point out infringements of private property-owners rights and proposes solutions ;
- Promote the interest of real-estate owners at national, regional, departmental and local level: the UIPI associations are member of the Economical and Social Committee, the National Agency for Improvement of Habitat, very active in different monthly commissions for arbitration (rent, taxation, condominium administration, housekeepers), right to housing, etc.
- Enlarge the knowledge of property-owners through specialised seminars, monthly published magazine "Le Propriétaire Immobilier" and transmit to members know-how with technical leaflets, free advises of specialists, technical support, on line data basis, etc. ;
- Propose tools for the research of tenant, summer rentals, insurances, etc. ;
- Create statistics data basis for the market survey: rents variations, property taxes, condominium charges.

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GERMANY: Haus & Grund Deutschland (H&G)



Haus & Grund
Eigentümerschutz-Gemeinschaft

*Haus & Grund
Deutschland*

the federal German organisation for real estate owners. Haus & Grund supports and promotes private property as a fundamental human right, because it is the basis of all free societies. Haus & Grund communicates the concerns of house owners, condominium owners and landlords to the federal government, the parliament and the political parties.

Our organisation

Haus & Grund has a three-level structure: the federal association in Berlin comprises 22 regional associations. The regional organizations communicate our political goals towards the states and provide services for the approximately 1000 local Haus & Grund associations. The local organizations service our members. The smallest clubs have a few dozen members and the largest more than 20 000. Haus & Grund offices are spread nationwide - the office of Haus & Grund Deutschland is located at the Gendarmenmarkt in the center of Berlin. The President of Haus & Grund is Dr. Rolf Kornemann.

In Germany there are about 15 million private house owners and landlords. More than 900,000 of them are members of Haus & Grund. Hence, it is one of the biggest membership associations in Germany.

Our goals and activities

- Independence and freedom are the pillars of our organization
- We promote real-estate as the foundation of a free society
- A Haus & Grund membership will help to enjoy the ownership of real-estate
- We take care of all those who are willing to buy or build real-estate
- 130 years of experience enable us to represent the interests of all homeowners and landlords as diverse as they are.

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GREECE: Hellenic Property Federation (POMIDA)

ΠΑΝΕΛΛΗΝΙΟΣ
 ΟΜΟΣΠΟΝΔΙΑ ΙΔΙΟΚΤΗΤΩΝ
 ΑΚΙΝΗΤΩΝ (ΠΟΜΙΔΑ),

the Hellenic Property Federation (POMIDA), founded in 1983, is the national organisation of immovable private property and building owners of Greece, representing and defending the interests of all house, real estate property and building owners of the country, mostly small and medium landlords, and of all Greeks living abroad.

Our organisation

40 independent associations from all over the country are members of POMIDA which is directed by a 15-member board. Mr. Stratos Paradias is the founder and President of POMIDA.

Our goals and activities

During the many years of action and important successes, POMIDA always had a moderate approach in the social subjects related to property possession, exploitation and taxation, continuous and effective action, mobilisation of property owners all over the country and a great number of Pan-Hellenic and international congresses. The most important achievements were the progressive and successful abolition of rents control in both residential and commercial rentals, the improvement of relations between landlords and tenants, the abolition of the high annual property tax, replaced by a very low annual property rate and the resolution of countless problems related

to real estate property such as taxation, urban planning, historical buildings, forest property, and condominium property problems. POMIDA is fighting again today

The services to our members include:

- Everyday oral advice by experienced lawyers concerning any problem related to real estate property;
- Everyday "Help Line" – telephone assistance by our legal experts;
- Tax and technical advice by our experienced tax consultant and experienced engineers;
- Rental contract models for residences, shops, offices, farms etc. available also via internet;
- Seminars for the members on legal, taxation and energy saving matters;
- "The News of the Property Owners", our quarterly informative magazine;
- "The Landlords – Building Administrators Guide", an annual informative edition, concerning all that a property owner and a building manager should know about rentals, property taxation, condominium problems, energy certificates and other common issues;
- Important services such as buildings' insurance, free estimation of their real estate property's value, property management and legal assistant in other countries (PLAN).
- "Online Members' Service", access of all members to the "Electronic Library" of our website, containing a full collection of documents about real estate property and buildings in Greece (laws, circulars, directives, contract models etc).

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IRELAND: Irish Property Owners Association (IPOA)



The *Irish Property Owners Association* is the National Representative Organisation for property owners who rent property in the private rental sector (Landlords).

Our organisation

Founded in 1993 by its current Chairman, Stephen A. Faughnan and current Vice Chairman, John Dolan and is run by a national Committee of 12 members, who contribute their time on a voluntary basis. The organisation represents the interests of property owners on whatever platform is necessary to defend these rights, entitlements etc, a non profit making organisation.

Our goals and activities

Lobbying is very much part of our work and this is done through Government, Semi State Bodies, Service Companies and other organisations that have an interest in the rental sector. Submissions are made on a regular basis to various Government bodies on legislation and policy.

Currently we are re-structuring our organisation with a new constitution being put into place and we feel that this will streamline our business going into the future.

In excess of 75 % of the population are home owners with some 11 % private rental accommodation and the balance between social, voluntary and affordable accommodation. The population of privately rented dwellings in Ireland is 320,000 units of which there are some 120,000 property owners. IPOA give information to all property owners but have a paid up membership of 5000 landlords who would own some 20 % of the units of private rented accommodation. Private Rental Accommodation in Ireland is governed mainly by the P.R.T.B. (Private Residential Tenancies Board which is a Government body). The Residential Tenancies Act was introduced in 2004 and has yet to get to grips with the real issues of renting property; it is mainly a tenant's charter. While the Act itself is lengthy, complex and flawed and its

operation, by the PRTB inefficient with regard to time delays, nevertheless with amendments and more efficiency it could be extremely beneficial in the solution of disputes e.g. deposit retention over-holding etc.

We have representation on state boards and semi-state bodies, as the only body representing (landlords) property owners in the Private Rental Sector.

Recently in Ireland we have had a lot of new regulations/taxation:

- Standards have been reviewed;
- BER Certificates;
- New Government Levy on income 2-6 %;
- V.A.T. Increases;
- Local Authority Levy of €200 per unit;
- Withdrawal of Tax Relief on Refurbishment;
- Reduction in Mortgage Interest Relief by 25 %;

The organisation holds meetings and educational briefings throughout the country and with Media & Government.

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ITALY: Confederazione Italiana della Proprietà Edilizia (Confedilizia)



The *Confederazione Italiana della Proprietà*

Edilizia (Confedilizia), the Italian Confederation of Property Owners, is an Association that was re-established in 1945 to comprise all the territorial Associations of home owners.

Our organisation

Confedilizia has over 200 offices nation-wide.

The members of Confedilizia comprise property owners (including those who are only owners of the home they live in), condominiums, individual condominium residents and institutional investors such as insurance companies, banks, pension funds, social security agencies and large national real estate companies. Other members of Confedilizia include trade Associations. The President of Confedilizia is Mr. Corrado Sforza Fogliani.

Our goals and activities

Confedilizia stipulates the National Collective Labour Agreement (CCNL) for employees of property owners with the confederate unions (CGIL-CISL-UIL) and ASSINDATCOLF - the National Collective Labour Agreement for house servants. Internationally, Confedilizia is among the "Groups of Interest" duly accredited by the European Parliament and European Commission. For direct support to its nationals abroad, Confedilizia has set-up its own foreign delegations in the USA, England, Germany, France, Spain, Belgium, Switzerland, Argentina and China. Confedilizia also keeps close ties with the Confedilizia of San Marino. Confedilizia is regularly consulted by Ministries, the parliamentary commissions of the senate and chamber of deputies, the National Council of Economy and Labour (CNEL) and regional and local government agencies.

Confedilizia publishes a monthly "Confedilizia notizie" (circulated to all individual members through the local associations) as well as interesting industry publications through its subsidiary Confedilizia Edizioni.

Confedilizia's institutional duty is the representation of property owners and investors in their dealings with Parliament and Government concerning real estate issues.

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MONACO: Association des Propriétaires de Monaco (APM)



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President:

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NORWAY: Huseiernes Landsforbund (HL)



Huseiernes Landsforbund, the Norwegian House Owners Association, promotes the interests

of house owners in Norway. The majority of members are private home owners. Commercial real estate companies, landlords, condominiums and multifamily houses with collective ownership are also represented in the organisation. Housing in Norway is predominantly private. 80 % of the housing stock is self owned and 20 % is rented dwellings. All together there are 2 million homes in Norway.

Our organisation

The organisation was established in the Norwegian capital, Oslo, as early as 1894. Today it consists of more than 170 000 individual paying members spread over 26 local departments. The head quarter is still located in Oslo, housing 28 central employees.

In addition, there are local representatives in every county as well as centrally based legal consultants who offer telephone based services. The

highest body is the bi-annual congress, which elects the Executive Committee and lays out the main policies for the coming years. The President of the organisation is Ms. Hildur Hoiland. Its main spokesperson in the day-to-day business is the Managing Director, Mr. Peter Batta.

Our goals and activities

The most important goal of Huseiernes Landsforbund is to protect the interests of house owners and strengthen their position politically.

The three main pillars of the organisations activities and offers are:

- active political lobbying and extensive use of media;
- advanced advisory services;
- a number of discount agreements and other membership benefits related to house owner issues.

Members have free access to legal, technical and economic advisory services and a large menu of benefits and discounts. Six times a year they receive the membership magazine Hus & Bolig.

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POLAND: Polska Unia Wlascieli Nieruchomosci (PUWN)



*Polska Unia
Wlascieli
Nieruchomosci*
(PUWN), the Polish

Union of Property Owners, was established in November 1991. It continues the traditions of the Association of Polish Cities, which had been established in 1923.

Our organisation

Pursuant to its articles of association, the Polish Union of Property Owners „is a national representative organisation of property owners’ associations and other organisations whose objectives are similar to its purpose“.

Membership of individual organizations in the Union is voluntary, and after they become members, they retain their previous management structure and autonomy.

The Union is comprised of municipal organizations of all large Polish cities as well as branch offices in smaller towns.

Majority of the organizations, which are members of PUWN, manage private and local government properties on their territories, and many members directly administrate their own properties.

Our goals and activities

The Polish Union of Property Owners is the largest non-governmental organization in the country, which represents the interests of the owners of land, properties, land properties, buildings and premises. The representatives of the Union participate in the work of Sejm’s Commissions and Sub-Commissions by filing petitions and expressing opinions.

The Union publishes the periodical magazine entitled „MIASTO POLSKIE“ (Polish City).

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PORTUGAL: Associacao Lisbonense de Proprietarios (ALP)



Founded in 1888 under the name „Portuguese Association of Owners“, ALP is a nationwide organisation with more than 10,000 members.

ALP's vocation is to represent and serve the owners of urban properties in Portugal, whether they have vertically or horizontally owned property.

Our organisation

The President of ALP is Prof. Dr. Luís de Menezes Leitão.

Our goals and activities

First of all, ALP has a representative dimension: it represents the interests of Portuguese urban property owners – including landlords, homeowners and co-owners in condominium - towards the authorities and public opinion in general. ALP aims to defend its members' interests on a number of issues, such as tax policy, rent policy and urban regeneration.

ALP also provides a number of services for its members, such as:

- Legal Advice,
- Property Management, dedicated to property management in vertical ownership,
- Condominium Management,
- Technical Services (including budgeting and monitoring conservation works).

ALP publishes since 1914 a bimonthly newsletter, „The Urban Property“. ALP is also at the origin of the creation, in 2001, of the “Centre for Voluntary Arbitration” – an independent entity that provides to both owners and tenants an advantageous alternative to ordinary courts in its area of competence.

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ROMANIA: Asociatia Pentru Proprietatea Privata (APP)

Asociatia pentru Proprietatea Privata, the Romanian Association for Private Property is a non-profit association of expropriated real estate owners in Romania, dispossessed by the former communist regime 1944-1989.

Our organisation

APP members reside in several European Union countries, especially in Romania and in Germany, but also in France, Switzerland. The main offices of APP are in Bucharest, with subsidiary branches in several other towns of Romania (Ploiesti, Cluj, Craiova), and in Munich (Germany). APP members are either active contributors or supporters.

Our goals and activities

Its activity mainly focuses on the juridical protection of the property rights of its members and on the restitution in kind or in form of fair compensation for confiscated property by the communist regime. This includes the representation of the interests of its members before the Romanian and European competent authorities (e.g. the Petition Commission of the European Parliament, the European Commission, the European Court of Human Rights ECHR and the Council of Europe). APP was one of the petitioners of the petition presented by UIPI before the Petition Commission European Parliament and was also admitted as an intervenient for the pilot procedure of the ECHR concerning failing property restitution in Romania.

Close contacts to the mass media and the organization of meetings, seminars and congresses⁶ to promote continuous attention of the public and the authorities to the long pending solution of the most stringent problems - such as the reforming of legislation, of the all-pervading bureaucracy and its corollaries - complete the spectrum of APP's activities.

The main services offered by APP consist of consultation in legal affairs, information concerning the evolution of the legal frame in the national

and international jurisprudence, PR and media information, the lodging of reports, observations and proposals and even protests to the competent forums of national and international organizations.

APP intends to further enlarge its activities, covering also other aspects of property matters, such as taxation policies, environmental measures, energy saving.

6 APP organized the International Property Day in 2008 in Bucharest

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SERBIA: League for Protection of Property Rights and Human Rights (LPHR)



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SERBIA: Property Restitution Network of Serbia – Citizens Association for the Restitution of Confiscated Properties and Human Rights (PRN)

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SLOVENIA: Association of Property Owners in Slovenia (ZLAN)

The *Združenje lastnikov nepremičnin v Sloveniji* (ZLAN) is the Association of Property Owners in Slovenia. It is a non-governmental and non-partisan organisation that was created in 1995 to represents the common interests of the owners of individual flats and houses, dwellings in condominium, rental housing, commercial premises and agricultural land and forests.

Our goals and activities

ZLAN has built a system of communication with its members in order to inform them about the current topics affecting real estate property and their owners and listen to their needs and initiatives. ZLAN aims to deepen cooperation with governmental, parliamentary, administrative and municipal authorities in drafting and implementing regulations in the field of real estate as well as to participate as an interlocutor with other organisations working in this field.

Our organisation

The highest authority of ZLAN is the General Assembly Network, which consists of all the members. The Management Committee includes the Chairman of the Board, his deputy and seven members. The task of the Management Board that is responsible for organizational, professional, technical and administrative work, in accordance with the guidelines and decisions of the General Assembly.

The president of ZLAN is Mr. Urh BAHOVEC.

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SPAIN: Confederación de Cámaras de la Propiedad Urbana y Asociaciones de Propietarios de Fincas Urbanas (CCPU)



The *Confederación de Cámaras de la Propiedad Urbana y Asociaciones de Propietarios de Fincas Urbanas*, the Confederation of Urban Property Chambers

and Urban Property Owners' Association, is a national non-profit association that is independent from the government, workers' organisations and political parties. It was set up under the law regulating the right to associate under a trade union, with full legal status and capacity to act.

Our organisation

The Confederation was created in 1996 and is located at Calle Comandante Zorita nº 6, 1º 8, in Madrid (Spain). It is integrated by 21 organizations representing the different Autonomous Communities on behalf of approximately 160,000 owners.

Its governing bodies are:

- The Assembly, with representatives from each of the Confederation's member organisation;
- The Board of Directors;
- The Executive Committee;
- The Presidency.

The President of the Confederation is Mr. Ángel Merino Berthaud. Mr. Lluís Terradas i Soler is now the Honorary President.

Our goals and activities

The essential functions of the Confederation:

- Promoting and defending urban property;
- Proposing formulas and initiatives to the government benefiting urban property;
- Promoting the unity and defence of the Confederation's member Chambers and Associations;
- Constituting the representative body of the Confederation's member Chambers and Associations toward the public administration;
- Establishing any services of common or specific interest that may be of use to the Confederation's member Chambers and Associations;

- Establishing relations with national and international organisations involved in matters related to real-estate property.

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SWEDEN: Villaägarnas Riksförbund (VR)



Villaägarnas Riksförbund, the Swedish Homeowners'

Association, is a national organisation working to promote and protect the interests of homeowners both today and in the future – thereby making life easier for homeowners. 309.000 households are members and they are found throughout Sweden. Sweden has approximately 2 million detached and semi-detached houses that are used as permanent homes, and approximately 400 000 holiday homes.

Our organisation

The main office of Villaägarnas Riksförbund is located in Stockholm. The national organisation comprises eight regional organisations. Each geographical region has their own regional office. The association was founded in 1952 and has approximately 60 employees. Most of the members are affiliated with one of our 300 local societies.

The Congress is the top decision making body of Villaägarnas Riksförbund and meets biannually. The Congress elects the executive committee that bears the overall responsibility for Villaägarnas' activities. Each region has a regional committee that is elected by the regions' local societies. The President of Villaägarnas Riksförbund is Mr. Gunnar Jansson.

Our goals and activities

The Association does public relations work and also communicates the key interests and needs of homeowners to the heads of various government bodies, as well as to other influential opinion leaders. The Association offers various member benefits and discounts, as well as free professional advice. In addition, members also receive the Association's magazine, *Villaägaren*, 5 times a year.

The purpose of the campaigning work is to get political decisions that protect the interests of homeowners and that strengthen their position as consumers.

The objective of our expert panel is to offer members the benefit of free professional advice in all areas relating to home ownership.

The goal of our member benefits is to offer a wide selection of products useful to homeowners, services that meet members' demands and to enable members to save both time and money.

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**SWITZERLAND: Hauseigentümerverband
Schweiz (HEV)**



The *Hauseigen-
tümerversand
Schweiz - HEV
Schweiz*, the

Swiss Homeowner Association, is committed to the promotion and the protection of proprietary ownership in Switzerland. More than 304.000 persons are members of the Swiss Homeowner Association. The members are owners of single

family homes, apartment buildings, flats as well as landlords.

Our organisation

The main office of the Swiss Homeowner Association is located in Zürich. The Association is organised in 122 sections. The umbrella association was founded in 1915 and has now 19 employees. The president of HEV is Dr. Rudolf Steiner.

Our goals and activities

The HEV Schweiz stands up for the interests of the Swiss homeowners. Our Association does political lobbying following the aim to preserve and to promote proprietary ownership in Switzerland.

Considering the deep quote of homeowners – only the minority of 39 % are homeowners in Switzerland – it is obvious that the Swiss Homeowner Association has an important task to fulfil.

The Association publishes the newspaper “Der Schweizerische Hauseigentümer” which has an edition of 301.632 copies and 583.000 readers. The bi-weekly newspaper is the most important publication for homeowners in Switzerland.

The members profit from numerous benefits: For example professional legal advice by phone for free, the newspaper mentioned above, preferred conditions of the guidebooks of the HEV Schweiz as well as many more benefits.

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SWITZERLAND: Fédération Romande Immobilière (FRI)



The *Fédération Romande immobilière* (FRI)

was created in 1925 to represent real estate property owners of the French-speaking Switzerland at the national and local level.

Our organisation

The association brings together the property owners' associations of the French-speaking Switzerland, which are:

- Chambre vaudoise immobilière
- Chambre immobilière du Valais
- Chambre immobilière neuchâteloise
- Chambre fribourgeoise de l'immobilier
- Association jurassienne des propriétaires fonciers.

The FRI is directed by a Committee composed of the President, Mr. Christian Blandenier, a Vice-President, Mr. Franco del Pero and maximum 4 members per cantonal chamber (according to the following rule: 1 Committee member for 500 members).

The General Secretariat is organised by the Chambre Vaudoise Immobilière in Lausanne. It develops propositions that are then submitted to the Committee and implement the decision of the Committee. The General Secretary is Mr. Olivier Feller.

Our goals and activities

The FRI was created to:

- Defend private property and concerns of private and institutional property owners;
- Improve the economic conditions that govern real estate property;
- Protect real estate property in all French-speaking Switzerland.

Therefore the role of the FRI is to:

- Take position on all federal issues that concern property owners ;
- Participate in federal experts commissions in charge of real estate questions;

- Participate in associations and initiatives in favour of property or against risks that endanger property.
- Keep contacts with other regional associations of property owners (HEV Schweiz/ Camera Ticinese dell'Economia Fondiaria), real estate professionals (Union suisse des professionnels de l'immobilier/Schweizerischer Verband des Immobilien-Treuhänder) as well as institutional property owners (Association des investisseurs et administrateurs immobiliers/Verband der Immobilien-Investoren und Verwaltungen);
- Is the voice of property owners in the media.

Its field of action include:

- Accession to property and purchase of real estate by foreigners;
- Territorial planning;
- Framework contracts and lease contracts;
- Energy and environment;
- Fiscal rights;
- Mortgage market;
- Property funding;
- Vertical property.

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UNITED KINGDOM: National Landlords Association (NLA)



Founded as the Small Landlords Association in 1973 and based close to the Houses of Parliament in London, the *National Landlords Association* (NLA) is a not-for-profit membership organisation that represents the interests of private residential landlords in the UK.

The NLA provides a range of benefits and services to both our individual landlord members and our Local Authority Associates. The NLA seeks to safeguard landlords' legitimate interests by making their collective voice heard by local, regional and central government and the media.

Our Association

The NLA is the leading independent organisation for private residential landlords in the UK, representing almost 20,000 members and over 100 local authorities. Our membership stems from all over the UK and range from those with just one rental property to those with substantial portfolios. The Chairman of the NLA is Mr. David Salusbury.

Our goals and objectives

According to recent statistics the private rented sector comprises just over 14% of all households in England. It is expected that by 2016 the private renting market will surpass the social sector and by 2020 will account for 20% of all households. In light of this increase, the NLA seeks a fair legislative and regulatory environment within which

the private rented sector can continue to make an essential contribution to the nation's housing stock and economy.

With growth comes responsibility and the NLA is committed to ensuring, through professional development and NLA Accreditation, that all landlords are aware of both their statutory rights and their obligations to their tenants.

The NLA also seeks to raise standards in the sector through the extension and growth of our regional and local branch network of meetings as well as the provision of a wide range of services and support designed to improve the professionalism of landlords at a local level.

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