

INVESTIMENTATION

- CROSS-BORDER INVESTMENT STIMULATION PROGRAMME BY
SETTING-UP OF A NET-STRUCTURE BASED ON THE PILOT-PROJECT

Investments – ZALALÖVŐ



- Guidelines for investment developments
- Acquisition of property rights
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The project part-financed by the European Union and the Hungarian Government in the framework of Slovenia-Hungary-Croatia Neighbourhood Programme



slovenija
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Guidelines for investment developments

Regulations referring to location of development are contained in the Local Building and Ordering Regulations. This information is elemental part of the investor's decision, since the basic of decision is the fact, that the planned investment should be implemented in the selected area.

In reference to industrial parks Local Regulation Plan allows the nationwide received rates: rate of building (40%) and building height (max. 6.5m on the average). Minimum size of sites is 4000 m², but in case of need it could be different.

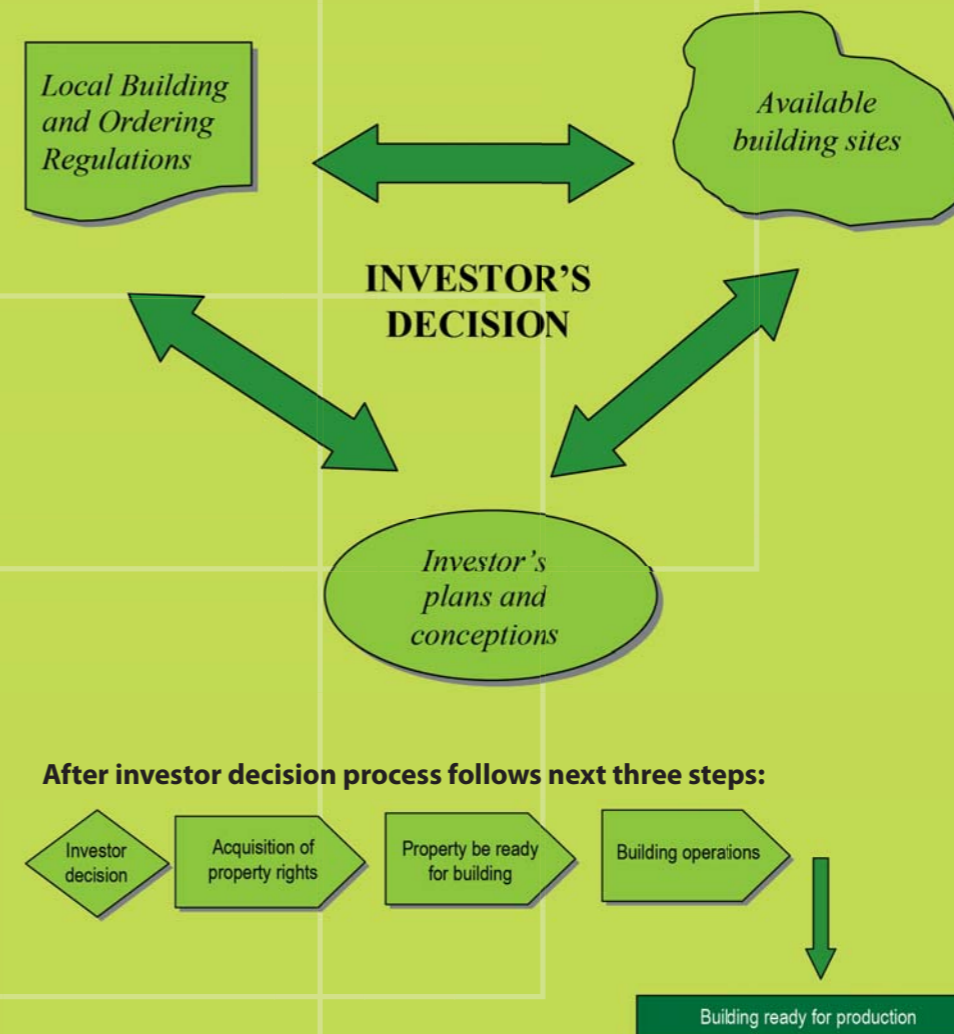
Basic ground of industrial park is: 28 ha; from this area 25 ha are free.

Currently there are 10 enterprises in the park.

Layout of industrial park:



Investor's decision is influenced basically by three factors: business conception of investor, available free industrial sites, and building regulations of local government. However it should take into consideration many other aspects of investigation of investment projects, but this essay studies industrial parks in respect of real estate. From this point of view, if this three basic factors are together, investors can make a positive decision on investment.



After investor decision process follows next three steps:



Above mentioned three part-processes will be detailed in the following sections.

Here will be described only so-called normal and typical cases related to industrial parks. In the real business life there are more difficult and complex cases with individual problems.





A/ Acquisition of property rights

Phase-out

According to the Hungarian law enterprises could buy agricultural lands with special terms. Therefore if the selected site is under agricultural cultivation, it has to be phased-out before buying. (Every property has topographical number and property certification which shows that it is an agricultural site, or not.). – In the matter of agricultural lands it is allowed to contract bond for title or make first refusal.

In case of phase-out process a petition has to be filed to the Register of title deeds, they will consider it, and issue a decree about the positive decision. After this the owner has to pay incidental expenses. Before the phase-out process the owner has to prove (e.g. with a building permit) that the site will be used as an industrial site not an agricultural one. Whole process could be accelerated (lead time approx. 15 days), but in this case emergency procedure fee (10 000 HUF) has to be paid.

Property purchase

If a site has „phased-out” or „industrial site” status, enterprise could purchase that. Within some days sale contract could be ready. The transaction will be record at Register of title deeds and side-note will be placed on the property certification which shows that owner-changing is under process (by side-note building permit could be requested).

Right of exploitation

In case of the bidder is not intend to buy the land, only he/she wants to build on it, there is possibility to establish „right of exploitation”, that means the land is owned by the primary owner (as far as here) and the building on it will be owned by some other.

After the building is ready that will be registered on the maps of Register of title deeds and of course two property certifications will be issued, one for the land and an other one for the building (with a new topographical number, e.g.: .../A).

B/ Property ready for building

In simple case after the acquisition of property rights the investment project could start. There are two special cases, which are worthy of note.

Site sharing

It means that land owner(s) would share a site, which has one topographical number, for smaller parcels. But they have to take into consideration the regulations of the local building and ordering regulations in reference to the minimum size of industrial site (in most cases this size is min. 2000 m²).

The process is the following: at first owners have to order the site sharing at a surveyor. He/she will be given a topographical number in advance, and after the request has been signed by all owners, he/she will forward it to the local government. They will issue a decree within 30-60 days. Stakeholders have right to appeal (15 days) against the decree, but after this period the decree will be legally binding. According to this the Register of title deeds will issue the final, modified property certification.

Site-uniting

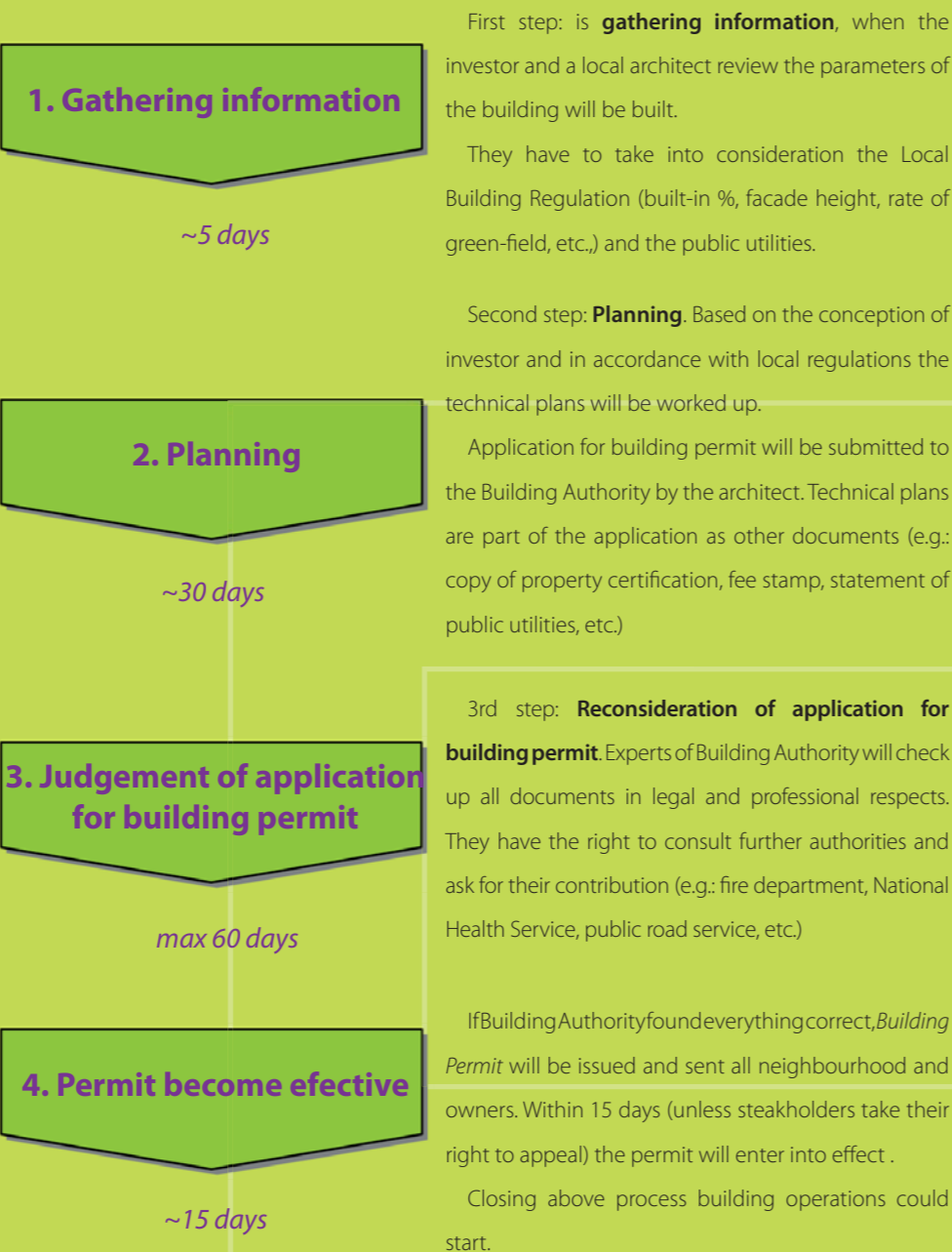
This process is the same as site-sharing but reverse.



In case of green-field investments the site-sharing process is not relevant.

C/ Building project

According to the Hungarian legal regulations all building operations need permission. Process of taking building permit is the follows:



On the basis of Hungarian Law an appointed technical manger have to be employed at every building project. He (she) will control all processes, and will be responsible for that the construction meet technical specifications, and for the safe building operations.

It could happen that during the construction process some modifications become a must. In this case the modification permit procedure follows the same procedure as the process of building permit.

Joining to public utilities

Usually at the beginning of construction two public utilities are needed: water and electricity. Declarations (about that the site is ready for establish public utilities), issued by local public-service corporation have to be enclosed to the application for building permit. Investor has to provide public utilities according to laws.

Electricity

Based on the results of negotiation between investor and local electric power services, the amount of the future average electricity consumption have to be determined in advance. If this amount is fairly correct, payment will be more favorable.

After concluding the agreement the electric power services will provide electricity within 1-3 months. (For that reason it is expedient to start this process before building.)

Water

This is the second public utilities, which is definitely necessary for use the buildings. As it was mentioned before the statement of the service company has to be attached to the application. The price of water supply is depends on how far the nearest header pipe is. If it is far off the service will be more expensive.

After concluding the agreement Water Service Company (or its sub-contractor) will provide water supply.

Canal (wastewater), rainwater

In case of new constructions these public utilities are supplied together with water services. This is the process at all industrial park developments.

Further smaller investments could be necessary by set up the network within the site, or e.g. in the case of site sharing.

Gas

Procedure of gas supply is similar to process of supply electricity.

But there are two differences:

- supply gas is more expensive than supply electricity;
- it is optional at putting in practice the building; heating could be provided with other, alternative devices (e.g.: mixed-burning, gas-holder);

Further public utilities

Besides above mentioned public services further public utilities will be developed in the industrial park:

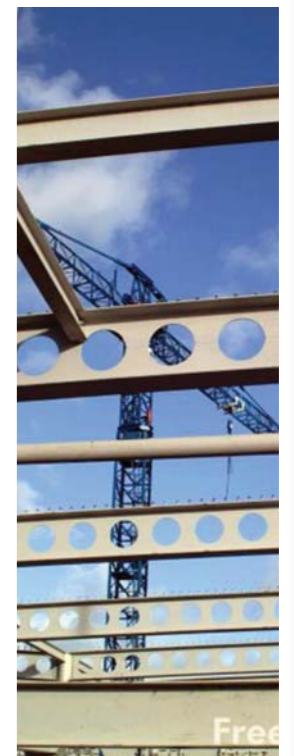
- telephone,
- internet,
- public lighting.

It should be noted, that there are further public services, eg.: waste-handling, cleaning of public roads.

After finishing construction could begin the procedure of putting the building in practice. This process is settled up by the appointed overseer; Local Building Authority will check that construction meet all technical specifications and meet the plans of building. If the building is ready for proper use the occupancy permit will be issued.

Non-profit services of Industrial Park Zalaötvő:

- Road servicing: cleaning, snow-clearing, renewing of traffic signs
- Cleaning and servicing of sidewalks and parking places and bus stations
- Operation and servicing of public lighting, and public utilities
- Servicing of green sites: parking, putting under grass, afforestation, servicing of non-sold areas



This investment stimulation program was realized through the approved application of the Zala County Non-Profit Development Company, the Euro Regional Coordination Office Company and the Local Government of Zalaölvő with the aim to increase the investment in the region and to assure efficient management for possible investors.



ZALA MEGYEI FEJLESZTÉSI
KÖZHASZNÚ TÁRSASÁG



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Služba vlade Republike Slovenije za lokalno
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Jelen dokumentum tartalmáért
a Zala Megyei Fejlesztési Kht. felelős