



## ***Real estate development in Budapest impeded by slow administration, local customs, experts say***

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BUDAPEST. MARCH 19. INTERFAX CENTRAL EUROPE – Real estate development in Hungarian capital Budapest is held up by obstacles including slow administration and over-regulation, and by the different customs followed by local authorities, experts said at an IIR industry conference on Wednesday.

"There are too many steps in the permit process, and it is difficult to find our way around in the various processes, which vary from district to district and have their own unique customs," said Emese Horvath, German developer IVG's development director.

According to Horvath, another difficulty in securing permits for a development project is the cyclical nature of local governments' operations, with the general elections held every four years causing a half- to one-year gap in issuing new permits, as local authorities are not willing to make decisions until the new government has settled in.

"We expect authorities to simplify regulations, clarify conditions and thus establish a calculable background for developers," Horvath said.

Currently the regulatory background in Hungary is built in a multi-level fashion, with regional, city-level and district-level authorities (in Budapest) working separately from each other, said Eva Beleznyay, the head architect of Budapest.

"It is problematic for developers to consult separate authorities and take heed of their different regulations at the same time," Beleznyay said. "Another problem is that due to an over-regulated environment, it is impossible to carry out exceptional projects, only under a separate, one-and-a-half-year permit process."

According to Beleznyay, the city of Budapest is working on the simplification of regulations within its own jurisdiction, but at the same time she also called attention to the necessity of better communication between authorities and developers.