

Press Release

Prague needs a long-term development strategy; according to experts, there is none at the moment

Prague, 25 February 2016 – The absolute majority (98%) of interviewed experts agree that Prague is in need of a long-term development, construction and real estate investment strategy. But at the same time, solely 12% of the respondents stated that, at the moment, the Czech Republic’s capital does have one. Further development of the city is significantly hindered by transport infrastructure, as a survey conducted in December 2015 and January 2016 shows. Altogether, 153 experts and personalities from the field of construction, development and planning as well as academia and other experts took part in it. The aim of the survey was to map the opinions of the experts regarding the field of sustainable development, construction and real estate investment in Prague and thus contribute to a necessary discussion on this subject.

“What Prague needs is a strong vision of how to develop in the context of competitive metropolises in Central Europe. Based on this vision, a detailed development strategy should be created. Other instruments such as standards and regulations should help fulfil this vision,” said Miroslav Linhart, leader of the Real Estate and Construction Advisory Department at Deloitte.

“Long-term strategy cannot be developed only by experts, politicians have to become engaged systematically as well. Unfortunately, such involvement is missing at the moment. Without a clear, mutual bond and cooperation, one cannot talk about strategy,” added Michal Melč, Senior Manager of the Real Estate and Construction Advisory Department at Deloitte.

To the question of whether Prague has a long-term development strategy, a mere 12% of the experts responded in the affirmative. Nevertheless, the majority (90%) of those respondents believe that the development strategy of the Czech Republic’s capital is not being presented appropriately.

Adjustment of the legislative framework and rate of regulation

In total, 98% of all persons asked require a significant or partial change of the current setting of the legislative framework in the field of construction. The respondents consider the current legislation outdated – eg, in their opinion, the Building Act as well as relevant implementing regulations are obsolete and falling behind the current needs of society. Thus, according to the experts, the field of city planning is regrettably malfunctioning.

“The survey has shown that, to some extent, opinions regarding the rate of regulation in the field of construction vary. One half of the respondents consider the rate of regulation excessive and inconsistent. From the viewpoint of individual groups of respondents, most frequently, this is the case with architects and urbanists (60%) and developers (56%). Apart from other issues, the interviewed experts take notice of standards, their binding nature and creation which they find very bad as it is set today,” said Martin Bohuslav, Attorney at Law, leader of the Real Estate and Construction Law Team of Ambruz & Dark Deloitte Legal.

Prague localities that lately took a positive course in development

According to the respondents, among localities that are developing in a positive course lately, Karlín is univocally in the lead, followed by Smíchov. Further places were taken by Prague 4 (Pankrác, BB Centrum) and the districts of Prague 13 and 17 (Nové Butovice, Stodůlky, Zličín).

“In the case of Karlín, the interviewed experts look favourably upon high-quality development of public areas in a region which, from a historic point of view, has stabilised and which, paradoxically, was significantly helped by the 2002 flood. Generally, the respondents also pay attention to the improvement in the field of traffic, to subway and public transport development and the opening of the Blanka tunnel,” added Miroslav Linhart.

Prague localities, the lately development of which is considered negative

Among the most frequently mentioned localities, the lately development of which is considered an example of negative development by experts, are mainly brown-fields and (railway) stations: Bubny, Smíchov, Žižkov and the Masaryk railway station area. In addition, it bothers the respondents that development localities in the city centre, such as the Rohanský Island, remain unexploited. *“Also, the situation around Wenceslas Square is considered negative as the experts judge it to be a wasted opportunity and a weak spot in the value of the city centre,”* said Michal Melč.

Who initiates the development of the city?

The question whether the development of Prague is being initiated rather by the public interest of urban districts or by investors was also part of the survey. Out of the experts questioned, 78% stated the development was rather driven by investors; interests of investors and urban districts are considered balanced by 8% of respondents; and according to 7% of the experts asked, the city's development is being initiated rather by urban districts.

The city's functions

Unequivocally, transport infrastructure is considered the most painful issue that hinders further development of the city. By infrastructure, public transport, particularly railway and tram transport, is also meant. On the other hand, according to some respondents, road infrastructure is excessive.

In comparison to quantity, the interviewed experts find transport infrastructure lacking mainly in quality. Within transport infrastructure, they are worried about eg road safety and the safety of means of transport, not about the density. Also, the respondents agree upon the need to pay more attention to public areas, parks and green vegetation.

Prague's model city

According to the experts, with respect to further development, Prague may draw inspiration from Vienna, which is considered to be the most suitable city in this regard, or, alternatively, from Berlin, Copenhagen or London. *“Copenhagen has a historic city centre where modern buildings were very well combined with older ones, and the same goes for London where they have no fear of modern edifices,”* noted Michal Melč.

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