



Rent Discount

Country name:		Hungary
Region:		Hajdú-Bihar County
City :		Debrecen
Public organisation responsible for the initiative	National language	Debrecen Megyei Jogú Város Önkormányzata; Debreceni Vagyonkezelő Zrt.; Cívis Ház Zrt.
	English	Municipality of Debrecen; Debreceni Vagyonkezelő Zrt.; Cívis House Ltd.
Department (if any)		n/a
Address:		n/a
Webpage:		https://www.civishaz.hu/hirek/%C3%B6nkorm%C3%A1nyzati-b%C3%A9rt%C5%91k%C3%A9nt-ig%C3%A9nybevehet%C5%91-lakb%C3%A9rt%C3%A1mogat%C3%A1s

Initiative description

Title:	Rent Discount
Features of group/s of beneficiaries	<ul style="list-style-type: none"> Tenants who are obliged to close due to the coronavirus pandemic as a result of government measures taken in November 2020 may be granted a rent reduction of up to 90%. The discount is available for the period from 11 November 2020 to 11 December 2020 for these tenants Tenants who are engaged in catering activities, whose business is limited to dispense and transport takeaway food. Tenants of these may be granted a rent reduction of up to 50%. The discount is available for the period from 11 November 2020 to 11 December 2020 for these tenants.
Initiative / tool objective	<p>Similar to the measures taken during the first spring wave of the coronavirus, the Municipality of Debrecen, in cooperation with Debrecen Property Management Ltd. and Cívis House Ltd., supported the enterprises of Debrecen and companies renting a business space from a public institution.</p> <p>The goal is to keep the workplaces and protect the health of the employees and the entire population. For general economics maintaining liquidity and responsible management is the key objective, retaining tenants while easing their burdens.</p>
Steps / phases / stages of tool / initiative implementation and its activities description	To support the enterprises of Debrecen and primarily to preserve the workplaces, the Local Government of Municipality of Debrecen, in cooperation with Debrecen Property Management Ltd. and Cívis House Ltd., is providing the so-called “pandemic fee reduction system”. According to the decision of the management of the City of Debrecen, Cívis House Ltd. has the opportunity to assist families and businesses in a difficult situation due to the

	<p>coronavirus epidemic. Rents fees reductions can be requested by the tenants of the business premises owned or managed by Civis House Ltd.</p> <p>The discount includes the following details:</p> <ul style="list-style-type: none"> • If the restrictions are extended after 11 December 2020 without any changes, the available discounts will remain unchanged for the duration of the extension. • If, before December 11, 2020, or in case of extension of restrictions, during the period of extension, government decisions are made that either further tighten or alleviate the restrictions on which this pandemic discount is based, Civis House Ltd. reserves the right to change the terms of the discount system. • the rebates are not subject to a repayment obligation. <p><u>Other rules:</u></p> <ul style="list-style-type: none"> • The condition for granting the rent reduction is that the tenant declares the total number of employees registered on 11 November 2020 will be maintained for the entire duration of the rent reduction. • No rent reduction can be granted to tenants whose rental agreement has been terminated or will be terminated during the period of granting the rental discount. If the lease is terminated during the term of the rental discount or is terminated for any reason, the repayment of the rental discount already granted becomes due in one amount at the same time as the termination of the rental relationship. • If the rental fee for the current month reduced by the rental fee discount is not paid by the payment deadline indicated on the sent invoice, Civis House Ltd. may revoke the rental fee discount. • The process of rent discounting is not automatic, it must be applied for from Civis House Ltd. A sample application can be downloaded in PDF format (from Civis House Ltd web page). This form has to be editable, it can be by clicking on the "Downloadable documents" menu, among the forms related to business premises. • Applications are recommended to be sent electronically, but a regular post is also a viable option. • In the case of applications received during the period of granting the discount, the rent discount can be granted retroactively from 11 November 2020. • The rental discount will only be granted if the declaration of acceptance of the terms of the discount sent to the tenant as an attachment to the information letter is duly signed and returned electronically, at least eight days after sending the information letter. The Lessee (tenant) undertakes to send the original signed statement of acceptance by post immediately after sending the electronic copy. <p><u>Commitment for applicants:</u></p> <p>Rent reductions are granted if the tenants declare to retain their current number of employees in a tenant declaration.</p>
<p>Expected result(s)</p>	<ul style="list-style-type: none"> • In the spring, more than 230 tenants received support of the 50 percent and 90 percent discounts, respectively. • This swift form of support helped to facilitate business operation during the most difficult moments of the pandemic. • The loss of workplaces in the region was significantly reduced.

Transferability

Transferability to other countries (to be assessed by all Project Partners)	<p>Medium – the initiative / tool can be transferred with the fulfilment of some demanding requirements by adopting organisation</p>
Transferability on country of origin level (to be assessed by all Partner from specific country)	<p>Medium – the initiative / tool can be transferred with the fulfilment of some demanding requirements by adopting organisation</p>
Necessary resources	<p><u>Technical infrastructure:</u></p> <ul style="list-style-type: none"> IT and ICT tools (computer, laptop, telephone, internet connection), website operation and maintenance, publishing an announcements and editing its graphics in accordance with the used communication tools an online questionnaire.
	<p><u>Knowledge:</u></p> <p>Competencies of the members of the executive team:</p> <ul style="list-style-type: none"> economic and financial knowledge required to process applications, communication skills to maintain effective dialogue with companies representatives.
	<p><u>Expenditures:</u></p> <ul style="list-style-type: none"> Stuff costs of specialists and experts Accounting costs <p><u>Amount of costs to be financed (in EUR):</u></p> <ul style="list-style-type: none"> n/a (depends of many aspects e.g. size of the group, time, market conditions).
Key success factors:	<ul style="list-style-type: none"> At the prior request of the tenant or apartment user, the executor, Civis House Ltd., may authorize the extension of all types of lease agreements until 30 June 2021, support for local businesses who were unable to open their business premises due to the pandemic, providing assistance during the pandemic by the local government of Debrecen and Debrecen Property Management Ltd. to the Debrecen companies, due to the health safety protocols, business tenants with limited or no activity can request a significant rent discount for their business premises
Key challenges:	<p>The loss of the revenues of Civis House Ltd., which has been received from the rental fee so far. In the spring of 2020, more than 230 tenants received support of the 50 percent and 90 percent discounts, respectively. As a result, the Civis House Ltd. decreased by 208886.60 EUR, i.e. the same amount of rent remained with the companies in Debrecen in order to reduce the losses caused by the pandemic.</p>
Impact on regional economy (general description)	<p>The initiative has a significant impact on the local economy:</p> <ul style="list-style-type: none"> creates more opportunities for businesses to stay active in the difficult market, the positive results of the initiative can be measured at the local level, as it has an stimulus effect on the city's economic.