

Press release (translation)

EU Commission clears the way for higher aid - aid programs must now be adjusted quickly

Berlin, 28.01.2021 – The ZIA German Property Federation welcomes the European Commission's decision that in the future state aid of up to €10 million for fixed-cost will not constitute an unlawful aid. In view of the current outbreak of COVID-19, the European Commission has thus significantly extended the Temporary Framework for state aid today to support the economy. Moreover, the Temporary Framework now runs until 31 December 2021. "This is an important signal, also for the real estate sector. 10 million euros can be a lifesaver for medium-sized shops and hotels and the landlords behind them. For big market participants, however, this is not yet a final solution," Dr. Andreas Mattner, ZIA President, analyses the decision of the European Commission. "The German government must now quickly adapt its aid programs. Thousands of jobs are still at risk at the large companies." He added that it must also be ensured that the obligation to prove the Corona-related damage to companies is kept to a minimum in terms of bureaucracy.

Background:

The European Commission had significantly expanded the Temporary Framework for State aid measures to support the economy in the current COVID-19 outbreak on 28 January 2021. The Temporary Framework now runs until 31 December 2021, and the previous limit of direct grants, repayable advances or tax benefits of up to €800,000 per company has been raised to €1.8 million per company. Supplemented by the, still valid, de minimis regulation, this results in a limit of 2 million euros. In addition, the limit for fixed cost reimbursements was raised from 3 to 10 million euros

per enterprise. These can be granted to enterprises that are particularly affected by the Corona crisis and have to cope with a turnover reduced by at least 30 percent. Furthermore, the extended Temporary Framework now also allows the conversion of guarantees, loans and repayable grants into subsidies. The new framework of up to 2 million euros then applies to these.

The ZIA has drawn up a list of suggestions to strengthen bridging assistance, which the association presented to the Federal Ministry of Economics and the Federal Ministry of Finance on Monday. The list includes further proposals to improve the bridging assistance (Überbrückungshilfe III). You can find the (German) position paper at

https://www.zia-deutschland.de/fileadmin/Redaktion/Positionen/PDF/ZIA_Positionspapier_Coronahilfen.pdf.

About ZIA

The ZIA German Property Federation is the leading professional association and regulatory and economic-policy interest group for Germany's entire real estate industry. It is based in Berlin. Through its members, including 28 associations, it speaks on behalf of around 37,000 companies in the industry along the entire value chain.

With about 833,000 companies and around 3.3 million employees, the real estate industry is one of the largest and most dynamic sectors of the German economy. At over 600 billion euros, it accounted for 19 percent of total gross value added in Germany in 2019, making it much larger than vehicle manufacturing, for example. In the buildings sector, annual CO₂ emissions were reduced from 209 to 122 million tons between 1990 and 2019.

The ZIA represents the diverse interests within the real estate industry in the form of unified, integrative positions which correspond to the industry's significance for the national and European economy. As an association of entrepreneurs and associations, it gives the entire real estate industry a voice at national and European level – and in the Federal Association of the German Industry (BDI).

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