

REvitalisation REimagined

In Warsaw, work is underway to amend the so-called "delimitation resolution", which pertains to the designation of a degraded area and the revitalisation area of Warsaw. It has been subject to public consultations in recent weeks. The amendment aims, among other things, to refine the provisions regarding the pre-emption right. The City's reasons for this change are: the need to improve housing conditions, social services, transportation, business development opportunities, and environmental conditions in crisis and revitalisation areas. However, could it also be related to the number of notifications regarding conditional property sale agreements directed to the City in connection with the resolution?


To recap, the "delimitation resolution" was adopted in early 2022 based on the Revitalisation Act, granting the City the pre-emption right for all properties located in the revitalisation area. According to currently applicable provisions of the this Act, the municipality council can establish for the community the pre-emption right for:

- all properties,
- specific types of properties,
- designated properties located in the revitalisation area or its subareas.

Therefore, establishing pre-emption right was not mandatory and based on new statutory provisions – its scope may be limited.

The revitalisation area of Warsaw covers a large portion of the City's right bank, encompassing the districts of Praga Północ, Praga Południe and Targówek. A substantial number of Warsaw's population lives within the area covered by the resolution. These addresses are also gaining in popularity due to the recent metro line expansion (and in relation to Praga Południe district, its planned expansion). This leads to a typically high turnover of residential properties and associated garages.

Pre-emption right means that parties to a property sale transaction must remember to conclude a conditional sale agreement first and notify the City of the opportunity to exercise its pre-emption right. Only when the City does not take up this right (within a month from the notification) the owner can sell the property to the previously chosen buyer. This applies to all properties within the revitalisation zone, including flats and parking spaces.

A vertical, abstract architectural structure composed of stacked, colorful geometric blocks in shades of teal, blue, and purple. The structure has various openings and protrusions, resembling a modern building facade. The background is a soft, hazy sky with a hint of sunset or sunrise.

Such formalities generate costs and prolong sales processes. The need for an additional conditional agreement multiplies mandatory notary visits and adds time for the City to respond what extends timing of transactions. Furthermore, these formalities are not favoured by banks typically financing such transactions. However, since the City's pre-emption right stems directly from the statutory law, any omission of these conditions renders the sale agreement invalid. Such a flaw cannot be remedied by the City's potential renunciation of this right later on. Thus, fulfilling required formalities is crucial.

What if the City does exercise its pre-emption right? So far the City has exercised its pre-emption right 4 times in case of all 5737 notifications of conditional property agreements. No surprise as it's hard to imagine any local government unit "buying up" flats from the market. So, from the outset, introducing such a broad pre-emption right in the revitalisation area did not seem a particularly well-thought-out decision.

According to the proposed amendment, the pre-emption right will exclude flats, commercial premises, parking spaces in both underground and above-ground garages, and shares in common property elements. It should limit unnecessary formalities – both for participants in the regular housing market and for the bureaucratic apparatus processing this on the City's side.

Let us hope that the efforts of officials, who have been sending letters to notary offices for the past months with information that the City does not exercise its pre-emption right, will be used more beneficially for the capital's residents thanks to the planned amendment.

Do you want to know more? Contact us!

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