

# RISKS AND POTENTIAL OF THE STATE SUPPORT FOR WOODEN HOUSES IN SLOVAKIA

**Marek Potkány, assoc. prof., PhD.,**

**Ing. Marek Debnár**

**Technical University in Zvolen, Faculty of Wood  
Sciences and Technology, Slovakia**

# The main goal of the paper

The paper is aimed **at evaluating of the conditions of the decree of the state subsidy for financing of wooden houses**, prepared by the Ministry of Agriculture and Rural Development of the Slovak Republic.



Source: <http://www.mpsr.sk/en/>

## Actual situation

- According to the Association of Wood Processors of Slovak Republic - the actual share of wooden houses on the Slovak market is 10% (750-1000 houses/year) – goal to the year 2025 = 25% of share!!!
- According to Forest Management Report of the Slovak Republic for the year 2016 more than 700 000 m<sup>3</sup> of saw logs (III. classes of quality) –was exported from Slovakia.



Source: <https://www.zsdsr.sk/>

# The Goal of state support (draft decree) is to contribute to the development of the forest-wood complex and to the better use of domestic renewable resources

Primary goals: to **increase domestic demand for timber products**, increase domestic processing and **use of raw wood** (to produce components of wooden houses: glued wood, large-area structural and insulating board materials and other wood products) and also **increasing of employment in this sector** (another 6,500 people could be employed in the wood industry sector)

Secondary goals: to **support the housing** of citizens in particular **in the countryside** and to **reduce the energy consumption of buildings** by the objectives of the Paris Climate Agreement of 2015

# Methodology

- **Step 1** : The study the actual (working) version of the decree and conditions for the support - legal and information portal of the Slovak Republic:  
<https://www.slov-lex.sk/legislativne-procesy/SK/LP/2017/602>.
- **Step 2** : questionnaire survey, 117 companies within the Slovak Republic dealing with the construction of wooden houses (distributed by e-mail contacts in April-May 2018).
- **Step 3** : survey evaluation, warning of possible problems of state support

# The current version of the state support decree considers the following selected conditions (shortened version):

- Only for construction of a wooden family houses with low energy or near zero energy consumption needs - the house will be classified into the energy class of the global primary energy indicator A1 or A0 (The limit for the global primary energy indicator is  $\leq 54$  kWh / (m<sup>2</sup>/year)).
- built-up area of the house will be at least 75 m<sup>2</sup>.
- the house will have at least three living rooms.
- the purchase price for the construction of a house without base plate under the building contract will be at least 65,000 EUR without VAT.
- the house will be made to the finalization as a complete house.
- the house will not be an establishment for business purposes.

# Support will be provided in amount:

**min. support EUR 3.000**

**max. support EUR 12.000**

- **EUR 4,000** per house in **energy class A0/ EUR 3,000** per house in **energy class A1 on the territory of the capital city** of the Slovak Republic
- **EUR 6,000** per house in **energy class A0/ EUR 5,000** per house in **energy class A1 outside the capital city** of the Slovak Republic,
- Support will increase by **EUR 2 000**, if the **house is in the village in less developed district** (districts with a high unemployment rate).
- Support will increase by **EUR 2 000**, if the applicant proves by the declaration of the contractor that **at least 50% of the wooden construction products** from which the house is constructed **are made of wood coming from forests of the Slovak Republic.**
- Support will increase by **EUR 2 000**, if the applicant proves by a declaration of the contractor that **at least 70% of the wooden construction products** from which the house **is made of wood that comes from sustainably managed forests for which a PEFC or FSC certificate has been issued.**



Source: <https://www.junckers.com/en/about-junckers/sustainability-environment-and-quality/certified-timber-pefc-and-fsc/>



Sources:  
<https://www.scandihaus.sk>  
<http://jkslovakia.sk>  
<http://www.ecostav.sk>  
<https://www.rajbyvania.sk>  
<http://dobrydom.sk>  
<http://www.iq-ekodom.sk>  
<https://www.haas-fertigbau.sk>  
<http://www.fordom.sk>  
<https://www.atrium-sk.sk>  
<http://www.drevstavlovakia.sk>  
<http://www.drevodom.sk>  
<https://www.tatrahaus.sk>  
<http://www.rodinnydom.net>  
<https://mhouse.sk>  
<http://www.kontrakting.sk>

### BASIC RESULTS of SURVEY

	The number of surveyed companies	Responded	Not responded
	117	43 (36,75%)	74 (63,25%)
	Interest in state subsidy	Lack of interest in state subsidy	Without opinion
	42 (97,70%)	0	1 (2,30%)
	<b>Preferred type of construction of wooden house</b>		
<b>Timber frame construction</b>	24 (55,81%)		
<b>Panel system construction</b>	16 (37,21%)		
<b>Solid wood construction</b>	1 (2,33%)		
<b>Combined construction</b>	1 (2,33%)		
<b>Traditional log construction</b>	5 (11,63%)		
	<b>The most common type of finalization of the contract</b>		
<b>House with walls and roof construction</b>	4 (9,52%)		
<b>House without fixture</b>	19 (44,19%)		
<b>Complete house</b>	19 (44,19%)		

To our questionnaire survey involved 43 companies which is 36.75% of all surveyed companies. We consider the sample of respondents to be sufficient because we were able to get answers from representatives of companies. given segment. Responses we received from representatives of the following companies:



# Results

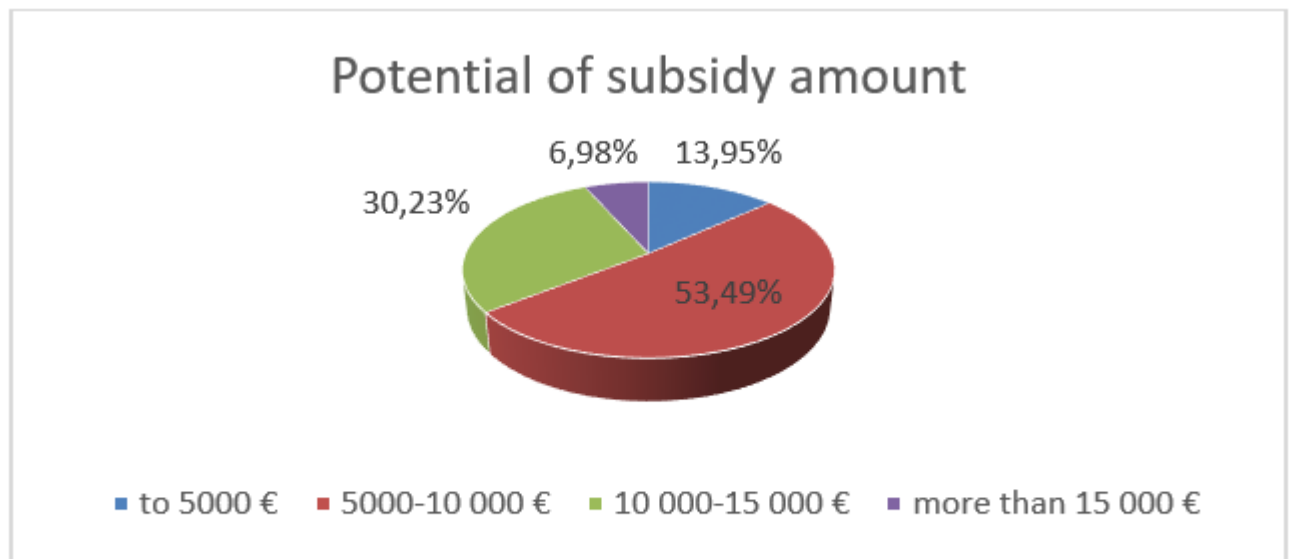


Figure 1. Potential of subsidy amount

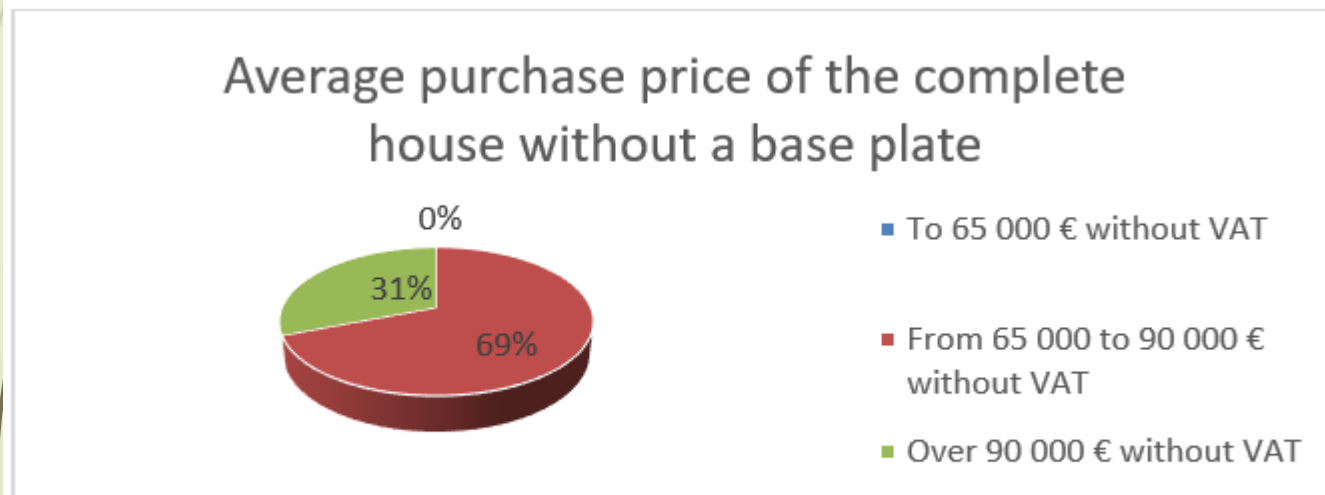


Figure 2. Average purchase price of the complete house



# Results

How many wood products come from forests of the Slovak Republic

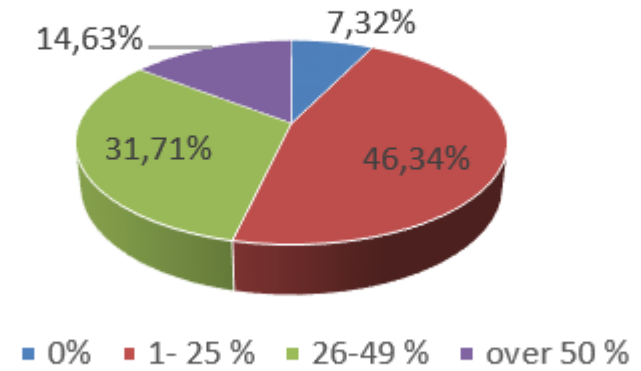


Figure 4. Share of the wooden building products made from wood of Slovak forests

How many of the wooden building products from which the house is made comes from sustainable forest management (PEFC, FSC)

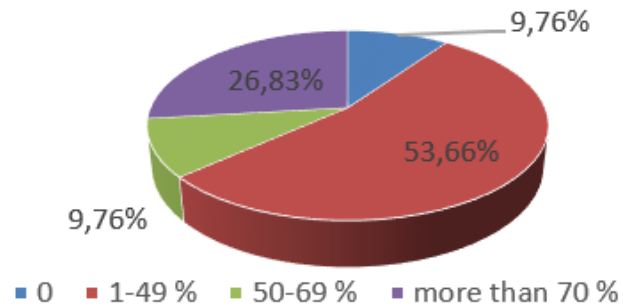


Figure 5. Share of the wooden building products with certificate marks PEFC or FSC

# Problems of state support decree



- ✓ The proposal is supposed to support 100 to 200 wooden family houses, respectively. households with an average subsidy per household of between EUR 5,000 and EUR 10,000. **The total amount of state support is planned at 1 mil. EUR.**
- ✓ The potential for the use of the support is large and public interest is considerable. However, **the process of preparing legislative and commenting documents is very time-consuming.** The whole process takes more than one year of ever-changing conditions – **still is in the process of preparation!!!**

## **main problems issues of support !!!**

The basic amount of the support of 3000 or 6000 EUR can only be reached for a limited number of applicants.

- the **major problem** of this support **is the condition only to the type of complete house implementation and also the preference for less-used construction systems** to those in practice commonly usable as timber frame and panel construction systems. This condition **automatically eliminates more than half of potential applicants for state support.**

# Problems of state support decree



## **main problems issues of support !!!**

Subsidy is only relatively difficult to increase by another value.

- This is particularly true of funded developed districts, but in particular the conditions of the wooden building products made from wood of Slovak forests, which should be more than 50%. This condition is met by only 15% of enterprises.
- Another risk is also the conditions about the share of the wooden building products from which the house is made and comes from sustainable forest management with certificate marks PEFC or FSC. The required stake is more than 70%, with only just over 25% of the companies building wooden houses declare this level.

**Therefore, we propose to simplify the process and give a chance to draw support for multiple customers and future users of wooden houses. Only then can state support meet its declared objectives.**

**Improve the conditions about: - type of finalization - the preferred type of construction  
- to propose a condition of the guarantee of quality producers of wooden houses**

# Thank you for your attention.

## Contact



Marek Potkány,  
assoc. prof., PhD.

Technical University in Zvolen,  
Faculty of Wood Sciences and Technology,  
Zvolen, Slovakia  
Telephone: + 421 455 206 437  
Mail: [potkany@tuzvo.sk](mailto:potkany@tuzvo.sk)



Ing. Marek Debnár

Technical University in Zvolen,  
Faculty of Wood Sciences and Technology,  
Zvolen, Slovakia  
Telephone: + 421 902 504 868  
Mail: [maresmo1990@gmail.com](mailto:maresmo1990@gmail.com)

**Acknowledgements:** We wish to thank project VEGA: Scientific Grant Agency of the Ministry of Education, Science, Research and Sport of the Slovak Republic; (Project No.1/0320/17 Economic and Social Context of European 20/20/20 Targets from the Viewpoint of Economy Low-energy Houses).