Romania

The redevelopment of former industrial platforms is a positive step

A number of the latest announced retail projects are being developed on former industrial platforms, a sign that Romania's past pattern of industrial growth has left a large number of sites that represent value waiting to be unlocked. Examples of this are showing up in a number of areas around the country. In Brasov Cora and Auchan will develop on former industrial sites: Hidromecanica, and Tractorul Brasov; in Bucharest, NEPI in partnership with Benevo Capital are preparing to develop Vulcan Commercial Center on Vulcan previous industrial platform; in Ploiesti, AFI Europe will develop a commercial center on the old Flacara factory site.

Brownfield redevelopments are not reaching high proportions at the moment in Romania, mainly because the regulatory landscape is still unclear. However, the new retail projects that will be developed on former industrial platforms underline the fact that Brownfield redevelopments will become more common and desirable for developers in Romania in the future. In the USA and Western Europe, effective public policies for Brownfield redevelopment have helped to increase employment and local tax revenue, improve public health, and reverse the decline of urban centers." Declared Randy Tharp, Managing Director, Epstein Architecture and Engineering.

Urban Brownfield sites can often be very attractive to developers and investors because of location, the efficient use of existing infrastructure, easier transportation to sites. On the other hand, a developer will likely be required to bear the costs of demolition of existing structures and potentially to clean up of hazardous substances and contaminated materials on site. By redeveloping a Brownfield site though, the level of threat to public health from contamination and the impacts of urban expansion can be reduced. Brownfield development can have real a positive impact on a previously undesirable location, by bringing much needed investment and new life to an otherwise neglected area.

"Even though the clean-up of contaminated and hazardous materials, and possible demolition of existing structures are costs that Greenfield sites do not have, these costs are often offset because utilities are more readily available at Brownfield sites, transportation to and from sites can be easier through public transportation, minimizing or eliminating the need for developing as much parking as for sites further out of the urban core. I see these developers now as pioneers in Brownfield development. While their redevelopment of these sites may not involve complex and costly clean-up of hazardous waste and contamination, they are setting the trend for the future redevelopment of more troubled sites. Eventually, with possible incentive programs such as expedited permitting, low or no cost land purchase, and/or clean-up assistance grants, there will be even more of these Brownfield sites redeveloped for office, or industrial and even residential projects". Declared Randy Tharp, Managing Director, Epstein Architecture and Engineering.

The lack of a clear national Brownfield policy, the deficiency of proper tax incentives and grants, unclear legal and regulatory policies towards remediation and investigations and the lack of local expertise with creative remediation solutions are key aspects holding back more Brownfield developments activity in the future.

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"The redevelopment of a Brownfield site is always less costly to the community and society, by putting a Brownfield site back into a positive use, the cleaning up of contamination on the site, and saving agricultural and forest land from development". Concluded Randy Tharp, Managing Director, Epstein Architecture and Engineering.

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