

Safe to stay, costly to pay

On December 17, 2024, president Andrzej Duda signed the Act on Civil Protection and Civil Defense, adopted by the Sejm on December 5, 2024, commonly known as the "shelter act". Its main goal is to ensure the safety of citizens not only in the event of military threats but also in the case of terrorist threats or natural disasters.

The shelter act regulates, among other things, tasks related to the population protection during peace and war, the threat detection system, civil defense organization, and the way society is prepared for potential threats. The act also specifies who is responsible for these tasks, how to register and use shelters, and how to finance protective activities.

So, how will the shelter act, of which the majority of provisions will come into force in 2026, affect the real estate market and the construction industry?

Developers planning new investments, both residential and public, will be required to design underground floors and parking garages in such a way that they can serve as temporary shelter spaces, meaning safe areas designed for temporary hiding of people.

The implementation of this obligation means that the developer, during the design phase, will need to allocate space for shelter areas, which will likely lead to a reduction in the number of parking spaces and, consequently, a decrease in the number of apartments that can be built. Currently, there is a standard requiring a minimum number of parking spaces, which must be at least 1.5 times the number of apartments planned for construction within a residential development. Fewer parking spaces, therefore, means fewer apartments. However, this is not all.

Designating temporary shelter spaces will also require the construction of appropriate areas that meet specific legal requirements, which will likely necessitate additional safety features, ventilation systems, structural reinforcements, and other technical solutions. Additionally, the areas where these shelters will be designated must be properly marked, and the owner or manager will be required to maintain them in a proper technical condition.

What will this all mean for the new investments? The requirement to have temporary shelter spaces in underground floors of buildings will likely not only extend the time needed for designing and building new investments but will also lead to increased costs of their implementation. As one can assume, the increased costs of investment implementation will ultimately result in higher housing prices, which will have to be paid by potential buyers.



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On the other hand, developers will be able to build fewer apartments, so the balance between expenditures and investment profitability will surely tip to the negative side.

The proposed changes could potentially bring benefits to society if they lead to increased security. However, there is a real risk that developers, in an attempt to recover their losses, will raise apartment prices, further complicating the purchase of flats. On one hand, the new regulation will contribute to increased security for society; on the other hand, it may worsen the already difficult housing situation in Poland. Higher apartment prices mean higher loans, and higher loans mean reduced financial security ... as we can see, the balance of security must always come out at zero.

Do you want to know more? Contact us!

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