

News Release

Deloitte real index: More than CZK 70 billion worth of flats were sold in Prague and other regional cities last year

- Real selling prices of flats in Prague and regional cities grew by 6% year-on-year.
- The total volume of flats sold in the last quarter of 2015 is clearly dominated by Prague, representing 65%.
- The prices of flats in Prague grew in the last quarter of last year by 4.3% to CZK 56,400/m².

Prague, 27 April 2016 – Flats of more than CZK 70 billion were sold in Prague and other regional cities last year, representing a year-on-year increase of 15%. This is the result of the new Deloitte real index, which maps real selling prices of flats. The information is based on the data from the Cenovamapa.org portal, which processes information about real selling prices directly from purchase contracts registered in the cadastre of real estate.

Aside from the total volume of sales, the average prices of flats also grew in 2015, with a year-on-year increase of 6%. The average price of a flat sold in the fourth quarter of 2015 in all regional cities including Prague was CZK 41,800/m². The flats in development projects were the most expensive, sold on average for 55,800/m²; the cheapest flats were in prefabricated apartment houses, where the price for m² came to CZK 30,700.

Almost 40% of flats were sold in development projects in 2015, flats in prefabricated apartment houses represent a quarter of sales and brick buildings a third. In comparison with other regional cities, Prague is a clear leader, representing 65% of the total volume of sales in the last quarter of last year, followed by Brno with a 9% share, Plzeň with 4% and Olomouc and Pardubice each with an equal share of 2%. In the comparison of prices, Prague is once again without competition, a m² in a flat was the most expensive there, priced at CZK 56,400 in the fourth quarter of 2015. Prices nearing the Prague level were reported only in Brno (CZK 41,200/m²) and the Hradec Králové region (CK 31,200/m²).

The majority of the real estate market is concentrated in Prague: *“It makes sense, the inhabitants of Prague have greater economic power and a higher average wage, so the overwhelming majority of development projects is located here. The Prague flat market is more than seven times bigger than the one in Brno,”* notes Milan Roček, the representative of Cenovamapa.org.

The cheapest flats are in Ústí nad Labem, Ostrava and Karlovy Vary.

On the other hand, flats were sold for the lowest prices in Ústí nad Labem (CZK 10,000/m²), Ostrava (CZK 17,300 m²) and Karlovy Vary (CZK 22,400/m²). Karlovy Vary experienced the strongest quarter-on-quarter price growth of 8.9%, which was, however, only due to the correction of the drop from previous years. Significant quarter-on-quarter growth of the prices of flats sold occurred also in Jihlava (+6.2%). Prices decreased markedly in Ústí nad Labem (-9.1% quarter-on-quarter) and Ostrava (-6.4% quarter-on-quarter).

“The favourable results of 2015 were affected by the record-low mortgage loans as well as the stable economic situation including a low level of unemployment. When the economy is doing well, people feel like buying new property. Concurrently, they also purchase larger flats. But the developers are not able to meet the demand, so the prices of new flats are growing,” says Miroslav Linhart, the director of Deloitte’s Real Estate practice.

About Deloitte real index

Deloitte real index states the percentage of change of the average price of realised sales of flats compared to the previous period in regional cities of the Czech Republic. It contains the price per m² in the monitored period. The uniqueness of Deloitte real index lies in the fact that the data relates to sales of flats registered in the cadastre of real estate in the form of purchase contracts. It therefore reflects the real prices for which the flats were sold.

For more information visit www.deloitte.com/en/real-index.

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