

Press Release

Deloitte Develop Index: Prices of flats in Prague keep growing, 1.6 percent increase within two months

- 1,241 new flats were introduced to the market in March and April
- The prices of new flats increased most in Prague 2, least in Prague 8
- The average offer price of new vacant flats grew by 13% compared to 2014

Prague, 1 June 2016 – The average offer price of a new flat in Prague grew by 1.6% to CZK 73,500 per square meter in March and April. Developers' offering included a total of 25 new residential projects (both apartment buildings and family houses) with the total volume of 1,241 flats. These are the results of the latest Deloitte Develop Index, which analyses the offering of the Prague development market every two months and monitors the offer price development of flats sold. The figures are based on the data from Cenovamapa.org.

In spring, the residential market started to show more significantly the drop in the offer of vacant flats accompanied by increased demand. *"In the year-on-year comparison, the deficit of flats has become considerable. Compared to the same period of 2015, the market lacks approximately 1,400 vacant flats for sale, which has resulted in the offer reduction of nearly 22%,"* said Miroslav Linhart, the Real Estate Director of Deloitte, leading the real estate practice in the Czech Republic.

In the reported period, a total of **25 new residential projects (both apartment buildings and family houses) with the total volume of 1,241 units** were placed on the market. *"Approximately half of the 'new projects' are a follow-up or another stage of projects started in the past, the number of actually new developments is still lower than in the last year,"* reminds Milan Roček, the Statutory Executive of Cenovamapa.org.

Flat sales have decreased slightly

The sale of units compared to prior months has dropped slightly. This March and April, a total of 1,367 new flats were sold on the Prague residential market according to the declaratory information from developers' price lists (a change in the status to "sold") while 118 flats were returned to the offering once again. The absolute number of flats sold in the reported period is thus **1,249 flats, which is a decrease of 102 flats compared to the prior period.**

The highest number of flats (251 units) were withdrawn from the offering of Central Group in the reported period, followed by Finep with 89 units, Metrostav Development (84), Skanska (66) and Daramis (50). Ekospol left the first five when it reduced, in the current period, its price list of development projects by 5 flats after the deduction of returned units.

The increase in Prague 2 is attributable to a single project

Prague 2 reported the highest increase in prices of residential units for sale in March and April, which amounted nearly to 52%. However, this increase is caused by the entry of a

single new development project with luxury apartments to an otherwise quiet market, which has mostly comprised renovations of the existing apartment buildings to date. On the contrary, the largest decrease in the offer prices of flats was reported in Prague 3 where the average offer price dropped by 1% within two months. Compared to the average of 2014, the average offer price of new vacant flats in Prague grew by more than 13%.

“The market price policy continued the trend started in the prior period – the flat prices keep growing and price reductions are on the decrease. The prices of flats placed on the market grew in March and April. The prices of nearly 19% of the offered units rose, on average, by CZK 213 thousand,” says Petr Hána, a Real Estate Manager at Deloitte.

About Deloitte Develop Index

The Deloitte Develop Index monitors qualitative and quantitative indicators of offer and demand on the Prague development market. Its purpose is to present the current status and development of the residential market in the reported two-month period. The set of indicators is exclusively based on declaratory information collected from web pages of individual developers and the price lists of development projects. The index is based on numbers and offer prices of vacant units in development projects at the end of the reported period.

For more information please visit www.deloitte.com/cz/develop-index.

Contact:	Lukáš Kropík
Position:	PR Manager
Phone:	+420 246 042 488
Mobile:	+420 775 013 139
Email:	lkropik@deloittece.com

Deloitte označuje jednu či více společností Deloitte Touche Tohmatsu Limited, britské privátní společnosti s ručením omezeným zárukou („DTTL“), jejich členských firem a jejich spřízněných subjektů. Společnost DTTL a každá z jejich členských firem představuje samostatný a nezávislý právní subjekt. Společnost DTTL (rovněž označovaná jako „Deloitte Global“) služby klientům neposkytuje. Podrobný popis právní struktury společnosti Deloitte Touche Tohmatsu Limited a jejich členských firem je uveden na adrese www.deloitte.com/cz/onas.

Společnost Deloitte poskytuje služby v oblasti auditu, daní, poradenství a finančního a právního poradenství klientům v celé řadě odvětví veřejného a soukromého sektoru. Díky globálně propojené síti členských firem ve více než 150 zemích a teritoriích má společnost Deloitte světové možnosti a poskytuje svým klientům vysoce kvalitní služby v oblastech, ve kterých klienti řeší své nejkompexnější podnikatelské výzvy. Přibližně 225 000 odborníků usiluje o to, aby se společnost Deloitte stala standardem nejvyšší kvality.

Společnost Deloitte ve střední Evropě je regionální organizací subjektů sdružených ve společnosti Deloitte Central Europe Holdings Limited, která je členskou firmou sdružení Deloitte Touche Tohmatsu Limited ve střední Evropě. Odborné služby poskytují dceřiné a přidružené podniky společnosti Deloitte Central Europe Holdings Limited, které jsou samostatnými a nezávislými právními subjekty. Dceřiné a přidružené podniky společnosti Deloitte Central Europe Holdings Limited patří ve středoevropském regionu k předním firmám poskytujícím služby prostřednictvím více než 5 000 zaměstnanců ze 41 pracovišť v 17 zemích.