

Press Release

Deloitte Real Index: During Q1, the Actual Selling Prices of Apartments in Prague and the Regional Capitals Increased by 1.4%

Prague, 14 June 2016 – During the first quarter of 2016, the selling prices of apartments in Prague and the regional capitals rose by 1.4% to CZK 42,400 per m². The highest prices were traditionally recorded in Prague (CZK 57,700 per m²), while the lowest were in the Ústí nad Labem region (CZK 10,400 per m²). The number of sold apartments in development projects as well as brick and prefabricated buildings totalled 5,400 units worth CZK 15.4 billion. The information is based on data obtained from the Cenovamapa.org portal which processes information on the actual selling prices directly from purchase contracts recorded in the real estate register.

Overall, the selling prices in the first quarter of 2016 increased by 11% compared to the 2014 average. In Q1/2016, the average price of apartments sold in the regional capitals including Prague amounted to CZK 42,400 per m². The most expensive were the apartments in development projects, where the average cost of 1 m² amounted to CZK 54,300, while the least expensive were the apartments in prefabricated buildings (CZK 32,800 per m²).

The greatest increase in selling prices was seen in Liberec (+12.8%), Zlín (+11.7%) and Olomouc (+8.2%). In contrast, Brno (-6.6%), Karlovy Vary (-4.7%) and České Budějovice (-2%) recorded a decline.

The largest share of the volume of transactions carried out in the regional capitals was, as usual, scooped up by Prague (almost 64%), where CZK 10 billion worth of apartments were sold in Q1. *“The differences between the metropolis and other regional capitals are huge, with no other regional capital approaching such volume of transactions – in the case of second place Brno, sales exceeded CZK 1.5 billion, while in Plzeň, they amounted to CZK 533 million,”* says Miroslav Linhart, leader of Deloitte’s real estate services.

The capital also ranks first in terms of the price per m² for which apartments were being sold in Q1. As far as individual city districts are concerned, the most dynamic development was seen by the proportionally smaller market of Prague 7 with an almost 9% inter-quarter increase. In contrast, the largest decline in average prices was recorded in Prague 8.

“Nationwide, the highest number of sales were carried out in prefabricated buildings – over 2,100 of the total of 5,400. Thanks to the advanced development market, the situation in Prague was quite the opposite. More than 1,000 apartments out of the total of almost 2,500 were sold in development projects,” states Petr Hána, a manager in Deloitte’s real estate services department.

About the Deloitte Real Index

The Deloitte Real Index expresses the percentage change in the average prices for which apartments were sold compared to the previous period in the regional capitals in the Czech Republic. It features the price per m² during the reviewed quarter. The Deloitte Real Index is unique in that the information relates to the sale of apartments registered in the real estate

register in the form of purchase contracts. As such, it reflects the actual prices for which the apartments were sold.

For more information visit <http://www.deloitte.com/en/real-index>.

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

Deloitte refers to one or more of Deloitte Touche Tohmatsu Limited, a UK private company limited by guarantee ("DTTL"), its network of member firms, and their related entities. DTTL and each of its member firms are legally separate and independent entities. DTTL (also referred to as "Deloitte Global") does not provide services to clients. Please see www.deloitte.com/cz/onas for a more detailed description of DTTL and its member firms.

Deloitte provides audit, consulting, financial advisory, risk management, tax and legal services to public and private clients spanning multiple industries. With a globally connected network of member firms in more than 150 countries and territories, Deloitte brings world-class capabilities and high-quality service to clients, delivering the insights they need to address their most complex business challenges. Deloitte's more than 225,000 professionals are committed to making an impact that matters.

Deloitte Central Europe is a regional organization of entities organized under the umbrella of Deloitte Central Europe Holdings Limited, the member firm in Central Europe of Deloitte Touche Tohmatsu Limited. Services are provided by the subsidiaries and affiliates of Deloitte Central Europe Holdings Limited, which are separate and independent legal entities. The subsidiaries and affiliates of Deloitte Central Europe Holdings Limited are among the region's leading professional services firms, providing services through more than 5,000 people in 41 offices in 17 countries.