

Jozef Šimek (GTC): we perceive the market slowing as a fight for a client

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To what extent were investment plans of your company in Slovakia influenced by changes in the real estate market?

We certainly react on the current situation and changes in the market. Although we belong among the most influential players in the Central European market, we are also able to readily adapt to local requirements. The evidence is also the acquisition of the building in Jarošová Street and our offer of B+ office spaces.

Influenced by the crisis triggered a tough fight for a customer. What changes you took in your efforts to establish a competitive advantage?

We perceive the market slowing as a fight for a client. Our greatest asset is that we are a capially strong company with a project completion guarantees. Our partners are generally reputable and strong companies and banks. Each project we start treating very seriously - and do so in terms of layouts and structure of flats as well as their pricing. So we did not have to access to a lump sum price reduction. In addition, we offer a new product of funding a flat to a customer by the form of a certain rent (lease) with the possibility of redemption at the remaining cost after two years. This, I think, sufficiently represents our financial stability.

Is the construction of the residential project Vinohradis ongoing according to the announced timetable? What type of flats is one of the most marketable here?

The project completion is anticipated within the meaning of contracted terms and delays are not expected. Today we have completed a skeleton and the carcassing will be soon. The most marketable flats from the long-term view are two-roomed flats tightly followed by three-roomed ones. Today, however, we register an increased interest in larger - 4kk apartments.

Surrounding of Vinohradis, however, will not be overbuilt soon. Do you consider it to be sufficiently attractive or are you planning some improvements?

Already now this area represents more than just an attractive site - proximity to the forest, beautiful outlooks and good transport connection. Our task is to build to it a new infrastructure as well as a modification and further planting of greenery, which will correspond with the architecture. As a part will also be design details associated with the navigation and information tables in this area, which will create overall look of the project.

We also reconstruct the already-mentioned office building in Jarošová Street in Bratislava, in which the office spaces with the indication of the B+ standard for rent will arise. Was its lower standard the primary intention or reviewed decision with regard to the actual situation in the market?

Just only for the fact that the reconstruction relates to the existing object, it must be of standard B. The „+“ after „B“ means it is close to the current office buildings of „A“ class by their equipment and technical facilities. At the same time, we can offer attractive price conditions for new tenants, what we in today times of „cost optimization“ consider be a strong competitive advantage.

Influenced by the competitors fight, however, extremely - up to 10 euro - fall rentals for the office spaces of A+ category. How you will adjust your price offer to this fact in your project?

We certainly can compete in A-facilities, even though they have been forced to reduce the rental by 10 Euro. As regards the capacity of parking, the part of the reconstruction is also building the parking house where further approximately 160 new stalls will be created.

Are you also preparing other investment actions in the territory of Slovakia in a near term? If yes, in which real estate segment it would be?

In a near term we do not prepare. Today, we are not planning new acquisitions, although GTC has enough own resources to do it. On the other hand, we see there a room for more advantageous acquisitions, but as the half year to a year later.

What development we expect in the real estate sector in Slovakia: when the price and sale of real estate drop reach the bottom?

If Slovakia has a healthy financial sector and banks will continue to provide mortgage loans, we do not expect there a significant decline in demand compared to today. Significant revitalization of the market, however, we assume in the 2nd quarter 2010 at latest.

Current events in our real estate development (and not only in it) can be labelled as a "cleansing market". By reason of the crisis companies will terminate and the aim of each of them is to remain in the group that survives. Does this phenomenon represent threat for your company or you just see it as an opportunity?

We belong among the most liquid real estate companies of all over the world; we represent a strong and established group in the international sense. We perceive the current situation as healing, from which are crystallized only players who perceive the real estate development as a long-term activity and not only as a momentum opportunity.

28.07.2009 08:00, SF / Martin Gajdoš, jup