

Mortgage market down 33%

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According to data from the Ministry for Regional Development, the Czech citizens will be given 23,602 mortgages in the total value of CZK 39.7 billion in the first half of this year. Year-on-year, the volume of the Czech mortgage market decreased by 33%. “People may be a bit too much influenced by reports on declining prices of properties and unless they need to solve their living needs acutely, they do not do it at all. In May and June, however, we traditionally saw a revived interest in mortgages,” Jan Sadil, Hypotéční banka’s CEO, commented on the situation. Between 1995 and the end of June 2009, a total of 427,088 mortgage credits in the total value of CZK 623 billion were provided to individuals. As regards the volume of provided mortgages, the lowest year-on-year decline was observed in South Moravia (25.6%) and in the Zlín region (26.2%). Conversely, South Bohemia and Central Bohemia saw the biggest decline - 48.4% and 44.4%, respectively. Hypoteční banka, No. 1 on the market, provided a total of 8,636 mortgages in the value of almost CZK 15 billion to the citizens in the first half of the year, which is 23.5% less year-on-year. The average mortgage for an individual in Hypoteční banka was CZK 1.735 million in the first half.

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