

Developers are beginning to believe themselves and grappling again

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What lays behind their decision to undergo considerable investment risk without a guarantee of return and in what they see the difference of their project from its competitors, allowing them to bring success, we were trying to look in 4 relevant developers through surveys with 4 common questions.

The project of your company is an ambitious investment plan, which you access at the peak of the crisis. What discloses the market survey and forecast of its success in terms of an offer - demand?

Martin Danko, PR manager, Penta Investments (the project Multifunction Centre Bory, Bratislava-Lamač)

The northwestern part of Bratislava is long time under-developed and a quality trade zone that would cover the claims of citizens in vicinity of the residential complex is missing long time. There is therefore a massive interest in this locality from domestic and foreign supermarket chains.

Michal Hatina, the adviser for communication and human resources, Luka & Bramer Group (East Hill Project, Košice)

We prepare the project of modern living at an affordable price in the frame of the biggest regional project of housing in SR, which follows the demographic trend in the metropolis of eastern Slovakia - Košice.

Martin Popik, sales manager, ISI Group (the Little Paradise project, Slovenský Grob)

Before the project we had several researches of market and public opinion done by reputable companies. Their conclusion is clear - people did not lose an interest in purchasing property, rather they prevails fear they would buy poorly. Poor means costly for most of them respectively more expensive than others. On the other hand, they increased awareness of the value of money and willing to pay more for better, quality things. After careful consideration we decided to offer clients a new quality of housing, where the price will really reflect quality.

Guy Speir, the director of marketing and renting, Quinlan Private Golub for the Central and Eastern Europe (the South City project, Bratislava-Petržalka)

Bratislava is considered a relatively growing city in comparison with other cities in the region. Regarding the residential segment, the housing and particularly new housing has always been considered a luxury. Hand in hand with the crisis the demand reduced significantly as a result of the fear of unemployment. On the other hand, the crisis has increased labour migration, and in combination with low interest rates and those who postponed buying a new apartment for later on, in the future will increase the demand for modern affordable housing.

What added value brings your project in order to distinguish from other projects of similar type?

Martin Danko, Penta Investments

The added value lays in the location and size of the project. In regard of the concentration of a large number of shopping chains in one place will create the largest commercial zone in Bratislava, where are concentrated almost all brands operating in the market. Then it will be complemented by entertainment and sports options along with offer of quality housing.

Michal Hatina, Luka & Bramer Group

It lays in an affordability of housing as well as the ratio: price to quality. It will include apartments tailored to our target group. Price of a new apartment in the locality will be a revolution.

Martin Popik, ISI group

Based on the comments of people who participated in our tests and questionnaires, we created the project that offers everything that other projects do not offer or failed. The Little Paradise will grow in the locality known by rapid development of house construction. But amenities were somewhat forgotten - so was created the zone with nearly minimum of services and commerce. We solve this handicap by 34 000 m2 designated for it. At second place is relaxation. After the engineering networks we will realize planting trees, whose accumulation in selected locations will create parks. All will be complemented with a lake, bicycle paths and public spaces.

Guy Speir, Quinlan Private Golub

The South City project has been designed with an emphasis on achievement and combining individual elements (price, location, infrastructure, design, leisure, comfort), with the main objective to create a modern and emerging suburb of an inner city. In the Southern City there will also be retail and residential centre, 7-hectare park and also a playground - so that people were able to live here and meet their living needs. The enlargement of conurbation will extend the transport infrastructure.

What does your company take to minimize potential risks multiplied by unstable situation in the economic, financial and real estate sector?

Martin Danko, Penta Investments

The topic is discussed in the latest question.

Michal Hatina, Luka & Bramer Group

The project with the strategy of low-meter and affordable apartments was prepared during the growth of the economy. This strategy of affordable housing remains the same - on the contrary, we made certain of its regularity. We will sell in the time of the domestic economy stabilization.

Martin Popik, ISI group

The investors, who stand by our company, consider the current situation in the real estate market as an opportunity rather than a crisis. 90% of the problems were caused by lack of trust of clients and exaggerated claims of „quickly fermented“ developers. We are entering the market after an annual preparation of the project. The crisis will teach people at least - buy for what they paid. The days already gone when new flats were bought on a paper. Clients are more cautious, more familiar with the project, monitor its development. All of it we offer - our actions are transparent.

Guy Speir, Quinlan Private Golub

Our strategy remains unchanged with the main focus to invest in the long-term period and strategically to diverse portfolio of the real estate with excellent potential of returns for our investors. It is important to remember that South City is and always was intended as a long-term and several-phase project. We are still working on the planning process, which follows our original plan for construction.

Have you already developed a post-crisis scenario of further business in the area of development and, if so, what changes occurred in it compared to pre-crisis situation?

Martin Danko, Penta Investments

It is natural that the crisis pressed almost all the major developers to adjust their plans for new situation impacted by deteriorated possibilities of financing and significant decline of speculative investment in particular in housing .We consider our advantage is in particular in the fact that Penta

was building 2 office projects at the time of the crisis outbreak - Digital Park in Bratislava and Tesla in Košice. Both fared successfully and found a space in the market.

Michal Hatina, Luka & Bramer Group

Yes, the projects Park Hill in Bratislava, East Hill in Košice and Hill Palace at Poprad are in the implementation. Each has its own market for which is prepared. Our strategy is to have sufficiently well defined segment and to know what this segment in the region requires from its housing.

Martin Popik, ISI group

The crisis has brought appreciable positives to clients: in its light clearly shows the seriousness and credibility. After the crisis it will be very easy to divide developers for those who had a clear vision and a business plan, and those of others. Developer must obtain a confidence and not to lose it. References of satisfied customers are that what bring to him others. The crisis, as everything, has its beginning and ending. People need housing; they are limited in selecting by their own capabilities, therefore, searching for quality corresponding to the price - and that is exactly what we offer.

Guy Speir, Quinlan Private Golub

The answer is contained in the previous question.

Visualisation:

- 1 - Bory, Bratislava-Lamač (Penta)
- 2 - East Hill Košice (LBG)
- 3 - Little Paradise, Slovenský Grob (ISI Group)
- 4 - South City, Bratislava-Petržalka (Cresco)

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