

Central Group launching sale of ten new projects

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As on several previous occasions, D. Kunovský, head of the property development company Central Group, again forecast at yesterday's press conference the end of the decline in new flat prices. He expects a slight growth depending on the location, approximately by the level of inflation in the second half of the year. Central Group is currently launching ten new locations with flats, houses and plots in Prague and its surroundings.

The gross profit of Central Group in 2009 was CZK 650 mill. according to preliminary results. This is a decline of 18 % in comparison to 2008. "We do not perceive such result as a disappointment at the times of the economic crisis," said Dušan Kunovský. Similar to other heads of property development companies, Kunovský also claims that the economic crisis facilitated purchase of land for development of new projects. According to him, Central Group is currently negotiating several new acquisitions. The group has currently a credit line amounting to hundreds of millions of Czech crowns negotiated with the banks; it has not drawn it for the moment, added Kunovský. His previous statements show that the company can more or less do without the loans, D. Kunovský sold a 10 % share in the company to a foreign investor for CZK 1 bill. recently.

Central Group was founded in 1994. Its current largest projects includes Prague's Zličín, where it intends to build around 1,400 flats in several stages. The police have been investigating Central Group in the last months for alleged tax evasions. The company rejects the allegations and puts them down to competition fight.

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