

# FINEP is optimistic about the future

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“Our last year’s profit will be in the order of hundreds of millions crowns,” Tomáš Pardubický, CEO of company FINEP, defined their economic results for 2009 at yesterday’s press conference. The company’s sales increased by 3 % last year and the number of flats sold by 23 % to approximately 500 units. FINEP does not disclose their actual figures. FINEP’s current offer includes a total of nine projects in Prague and Bratislava. The company will celebrate 15 years in the market this year.

The press conference was held at the newly completed office building, one of the first in the City West project. “We entered the city-development market through this project,” stated Michal Kocián, founder of the company and the chairman of the Board of Directors. “City West, neighbouring to Stodůlky housing estate will cover the area of 115 hectares. It is the largest project of its kind in the Czech Republic (Nová Karolina in Ostrava covers the area of 30 hectares).

FINEP sees this year’s prospects relatively optimistically in terms of property development. In the foreseeable future, they expect lack of modern flats as well as office space, thus an increased demand for both of the company’s products. According to the company management, the reason for the first case is the outdated flat stock which will continue to diverge from the requirements for quality accommodation (and thanks to which the flat market will continue to segment). The reason for the second is the relative lack of administration spaces in Prague, the area of which is very small compared to other Western European cities. “Green buildings, that is issue number 2 for now. Economy still remains number one,” this is the evaluation by Mr Pardubický of the current green or sustainable construction trend. The office tenants are starting to take into account their operational costs more than in the past, the residents, however, still have rather different preferences. “The passive house is not the future of flat construction,” said the director of FINEP in this regard.

According to T. Pardubický, the latest developments in the residential market lead towards consolidation: “According to our estimates, the three biggest players in the market - FINEP, Central Group and Skanska - have roughly 60 % of newly built properties in Prague today. This share will continue to grow.”

The biggest residential property developer in the Czech Republic is Central Group which will celebrate its 16th birthday this year. They sold 933 flats, houses and plots last year and achieved gross profit of CZK 650 mill.

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