

# New flats market starting to consolidate, according to Lexxus

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Market for new flats in Slovakia is slowly starting to consolidate. According to real estate company Lexxus, due to the slowly growing supply of new flats offer price is gradually approaching the demand price. It is expected that it will continue to develop a quarter to half a year. Following the previous development it can be inferred that the adequate average price of newly built housing will range between EUR 1.700 and 1.800 per m<sup>2</sup> excl. VAT, which is more or less the current average.

Flats are sold only in 60% of all projects. One of the factors influencing this situation is the average price. For flats sold in the 3rd quarter it decreased 4,2 % year-on-year to 1.750 per m<sup>2</sup> and it fell by 7 % to EUR 1.896. As the company Hypocentrum states, this year the interest in housing loans has increased compared to last year. The reason is a slowdown in growth or even a decline in property prices and the gradual relaxation of bank credit conditions. In May 2010, even the all-time high from September 2008 was broken (then it was EUR 378,9 mill. for property loans and mortgages), in May it was nearly EUR 383 mill. - a year-on-year increase by 68 %.

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