

Volume of housing loans has been growing since 2005

Author: SF / pb | Published: 17.05.2011

Not even the economic and real estate crisis has significantly affected the growth of housing loans (mortgages, building savings, consumer loans). It has been rising by nearly 7 % to a total of CZK 728 billion (it was 280 billion in 2005 and CZK 510 billion two years later). Since 2005 this figure has risen nearly 3 times. ČSOB analysts therefore expect annual volume growth of Czech mortgages to reach CZK 100 billion. However, compared to the pre-crisis period, the average loan amount fell from CZK 1.71 million last year to CZK 1.67 million.

Overall upward trend is also evident this year - in April the volume of mortgages rose by 15 % in comparison with the previous year. According to a ČSOB analysis, the current state of the residential market is particularly characterized the recovery in demand (delayed by the crisis and also due to tax changes being prepared), price stability (according to Petr Hutla from ČSOB, they will not grow even after a possible VAT increase due to strong offer) and a decline in loan interest rates. ČSOB group has roughly one-third share in the mortgage market. It provides this type of credit both alone and in particular through its subsidiary Hypoteční banka. The largest domestic building society - ČMSS - is also a member of this group.

17.05.2011 09:52, SF / pb