

# More than 20,000 flats planned in Prague

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Property developers plan to build 20,765 new flats in residential projects with 50 or more flats in Prague in the coming years. It results from a recent analysis conducted by the company Ekospol. A total of 20,765 new flats represents an annual increase of 16.4% compared to the first quarter of 2011. “However, comparison with two years ago is more meaningful, when real estate market began to grow again after a record decline. At that time, about 15,000 new flats were planned so developers’ plans increased by nearly 40% within two years,” says Evžen Korec, head of Ekospol.

Property developers intend to build most new housing in Prague’s districts of 4, 9 and 10. A relatively large volume of new construction is also planned in Prague 5. “If we filter the planned projects by cadastral territories which more or less correspond to individual city districts, these are the eight most attractive city areas: Uhříněves, Horní Měcholupy and Hostivař in Prague 10, Hloubětín and Letňany in Prague 9, Modřany in Prague 4, Stodůlky in Prague 5 and quite surprisingly Žižkov in Prague 3. In all these areas, the number of planned housing exceeds one thousand,” Evžen Korec stated. In his opinion, in a situation where only about 3,000 to 3,500 new flats are sold in Prague annually, a logical question arises who and above all for whom all these 20,000 new flats will be built. “The most important factors are sufficient effective demand, as well as stability and capital strength of developers. There are only few really strong property developers in Prague. These two limiting criteria already condemn approximately half of the planned projects to remain only on paper,” concludes Evžen Korec.

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