

LEXXUS



Bratislava market with new apartments 4Q 2009

Interest in apartments in new projects grows with the number of apartments completed every quarter. Relatively limited offer is thus getting smaller also due to dropping prices. Thus, the speed of sale grows up, which is also reflected in higher figures of apartments sold in the last three months of last year.

The offer

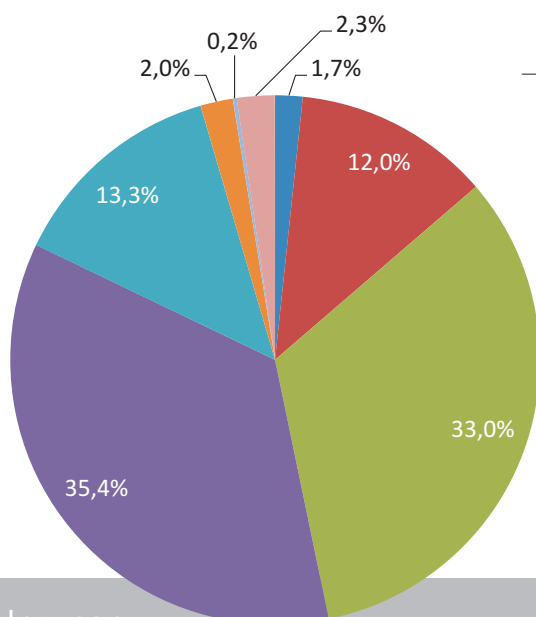
The number of completed apartments is still growing, it is possible to move into almost 2.000 of them.

Overall offer of new apartments decreases gradually. Six new residential projects commenced the sale, in the last quarter of 2009. This figure includes also projects, which, after a certain time adjusted their offer by changing the layout of apartments, and started to sell again.

At the moment, there are more than 4 900 apartments available. Gradually, also the offer of completed apartments increases. One may select from almost 2 thousand apartments offered early this year and move in immediately. Most of the completed apartments are situated in the fourth Bratislava district (app. 680 apartments); the least offer can be found in the second Bratislava district (228 apartments). Paradoxically, the overall offer of new apartments in Bratislava II is the largest among all its districts. Based on the estimated projects completion deadlines and regarding the speed of sale it may be expected that the number of completed apartments that are not sold will grow.

Apartments available in Bratislava

City district	Completed	Under construction	Total
BA I	237	240	477
BA II	228	1710	1938
BA III	573	458	1031
BA IV	676	230	906
BA V	278	307	585



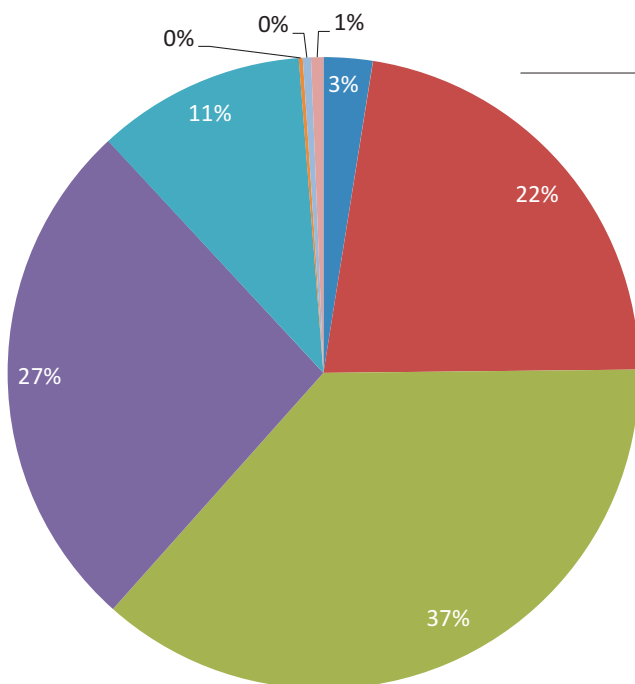
Available apartments split by categories, 4Q 2009

- atelier ■
- 1+kitchenette ■
- 2+kitchenette ■
- 3+kitchenette ■
- 4+kitchenette ■
- 5+kitchenette ■
- larger ■
- maisonette ■

The demand

In the 4th quarter, the sale has grown up by more than 30% compared with the previous quarter, the major interest is in the completed 2-room apartments.

Last year, the largest number of apartments in the capital city was sold in its last quarter. Despite relatively low demand in December, more than 400 new apartments were sold in the last three months of last year, which is more than 30% growth compared with the previous quarter. „Mostly wanted“ are still 2-rooms apartments (37% of the total number of sold apartments), 3-rooms (27%) and one-room (22%).



Categories of sold apartments 4Q 2009

The demand only concentrates on the half of the overall offer of new apartments. The reason is mainly the combination of price and completion phase. Clients focus their interest on projects that are already completed or close to completion; at the final price accessible for the target group „young couple“ or a „single“ (age of 30 up to 35 years).

Period	Project "selling"	Sold apartments	Speed of sales ap./month/project
nov08 - marec09	54	411	1,90
2Q 2009	45	261	1,93
3Q 2009	53	308	1,94
4Q 2009	56	406	2,42

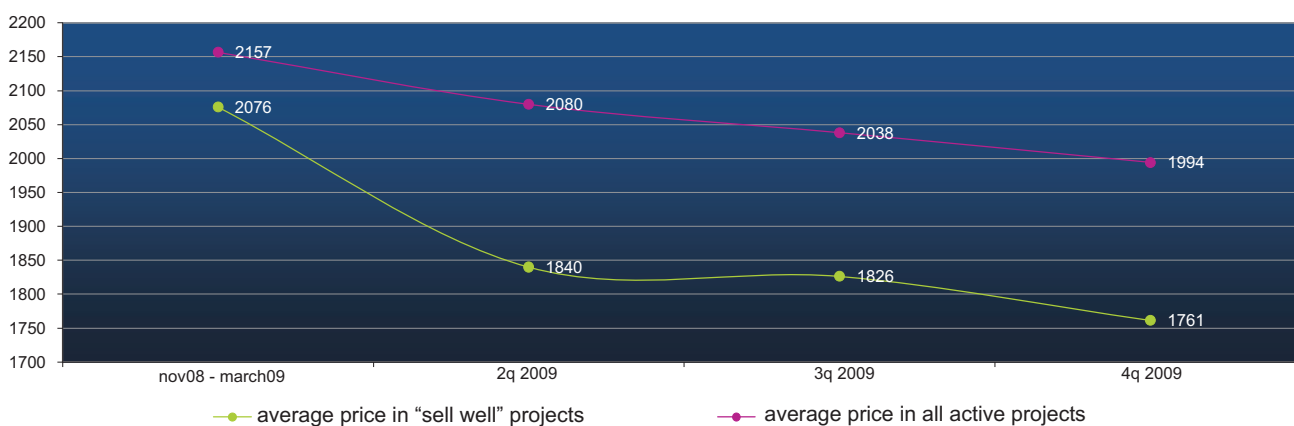
The same projects are selling apartments, which indicates that apartments meeting the demand’s requirements are „gone“ faster. Clients accept compromises more often when seeking new housing, which is suggested by gradual increase in number of projects with active sale.

The prices

The average price of apartments in the new new-building projects has dropped by almost 8% over the past year, it currently rests at slightly under 2.000 eur per sqm.

Prices of new flats decrease slowly, but surely. Lowered demand, to a large extent caused by more difficult access to 100% mortgage coverage to finance housing, is pressing the prices down. This is proved by gradual decrease of average price of available apartments, almost by 8 per cent in a year. 23 projects lowered prices in the 4th quarter 2009 by 13% in average; in certain cases up to 30% from the original price. Price adjustments are often thus the only one and almost most efficient sales approach. Average price of square meter dropped from € 2 157, excl. VAT, to € 1 994, excl. VAT, in 2009; , the price of apartments that sell well dropped from € 2 076, excl. VAT, to € 1 761, excl. VAT, per m2 in the same period of time.

Average price development in new residential projects BA 2009



The projection

The coming period opens possibilities for high quality prepared projects.

The number and size of prepared projects show that this year, the new offer will be generated by only a few developers. It is very likely that the same will apply also in 2011. Success of sale will to large extent reflect the project set-up, mainly regarding the phases of sale, presentation and construction, taking into account top architecture and design.

If new projects don't reflect the possibilities and requirements of the demand, it will rather focus on already completed apartments. At the current speed of sale it may be expected that one thousand more apartments will be available in 2010. Thus, under the same assumption, there will be approximately 2 400 completed apartments available at the market, in 2011. Compared to off-plan offer, they may counterbalance their „deficits“ with price. Price development in construction sector may play into the hands of prepared projects and thus, apartments completed today may remain empty for a long time.

Period of time	Projects		Available apartments	
	Total	Completed	Total	Completed
4Q 2009	114	73	4938	1993
2010	*114	*+36	*3618	*2934
2011	*114	*+5	*2707	*2385

* The estimate is based on the assumption that 110 apartments are sold in a month and no new projects will be included to the offer since this moment

LEXXUS is participating in sale of 11 residential projects:

Jantár Jarovce	Vinohradis
Tri Veže	Dubravia
Blízne Zamajerské	Rezidencia Záhorská
River Park	Citadela Vista
Bytový dom Brečtanka	Slanec Pekná Cesta
In Vino Vila	

and 12 recreational projects:

Apartmány Hrabovo	Grand Residences Jasna
Apartmány Velká Lomnica	Apartmány Kukučka
Tatrabille	Apartmány Oščadnica
Havranka Tále	Drevenice Oščadnica
Lomničák	Smrek
Pálenica	Jazero Vojka

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The Research and Real Estate Consultants Department in Bratislava performs activities focused on the market research, new residential constructions monitoring and consultations when planning new apartments and leisure projects.

Note:

This report has been elaborated on the basis of a market research using publicly available sources and information on the market development. We are not able to guarantee this information and thus we bear no responsibility for any damages that could originate on the basis of this report.