

LEXXUS



New apartment's market in Bratislava 3rd quarter 2010

Offer

Overall number of new projects with available flats	112
Overall number of flats in new projects	11.606
Overall number of available flats	4.386
Occupied	62% (7.220)
Number of projects added in the offer	7 (236 flats)
Projects that stopped sale	6 (383 flats)
Available - finished	in 83 projects – 2.713 flats

The offer was lowered to the level of c. 4.400 available flats in 112 projects, due to several reasons. Sale of almost 400 flats was stopped, about 350 flats were sold and on the other hand 240 flats were added into the offer.

From overall number of flats in new projects, about 38% remain still unsold. From overall number, 83 projects are finished. In these projects, about 2.600 flats remain available for sale, which means that from overall number of flats, 62% is theoretically ready to be used.

New flats were added to the offer in seven projects, of which two exceed the number 50 flats (projects Apolka, Hroznový Sad II). Also projects, whose sale was stopped in the past, have returned to the market (such as project City Gate).

On the other hand sale stopped in six projects. The biggest of these is project Nový Centrál (236 flats) in this case the selling was stopped due to the change of the original construction intention. Six projects finished selling, out of which the biggest project was residential house Major (54 flats).

District	Apartments in new buildings	Sold apartments	Free apartments	Free and completion apartments
BA I	958	460	498	384
BA II	3 445	1 677	1 768	764
BA III	3 149	2 334	815	686
BA IV	2 314	1 548	766	597
BA V	1 740	1 201	539	282
TOTAL	11 606	7 220	4 386	2 713

Demand

Number of projects that registered sales	62
Number of flats sold	346
Number of cancelled flats	34
Number of projects that sold more than 10 flats	11
Number of project that did not register sales	39
Sale by city parts	BA III (131), BA I (32)
Selling speed	1,86 flat per project that registered sales

Sale in Q3 2010 confirmed the growing tendency of demand for new buildings. In by-yearly comparison, 12% more flats were sold compared to the period 12 months earlier - almost 350 flats. During this period the lowest number of cancelled reservations/sale (34)

City district	Projects that registered sales	Sold apartments
BA I	6	32
BA II	16	85
BA III	18	131
BA IV	16	58
BA V	6	40
TOTAL	62	346

Flats were selling in 62 projects. For great part they were sold in the residential project on the Bosáková St., developer VODOTIKA-MG. In 11 of all projects, more than 10 flats were sold in the quarter. Despite this fact, the speed of sales per project in which sale was registered dropped to 1,86. Number of projects that did not register any sales during the quarter was lower by 12 in comparison to Q2 2010.

For what regards city parts, similarly to Q1 2010, most flats were sold in city part Bratislava III. Altogether 131 flats were sold, of these most in the project Vinohrady (reconstruction of a former hostel). More than 10 flats were sold in the second phase of project Hroznový sad.

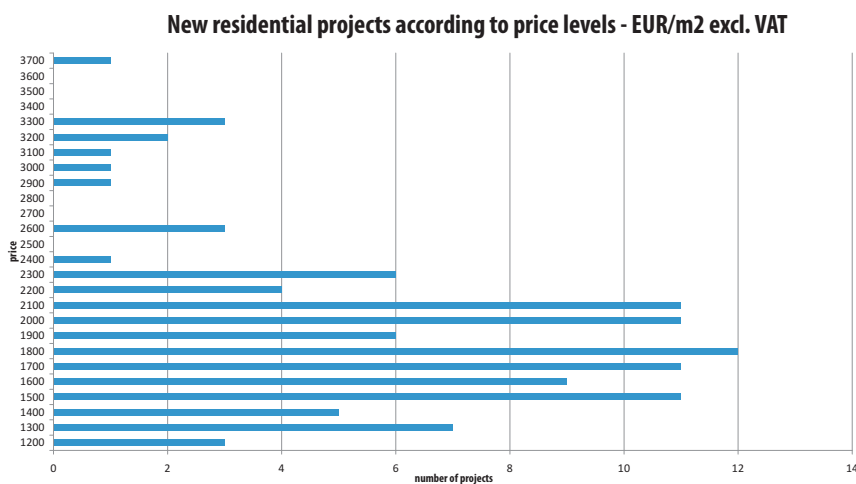
Period	Projects that registered sales	Number of sold apartments	Speed of sales
Q2 2009	45	261	1,93
Q3 2009	53	308	1,94
Q4 2009	56	406	2,42
Q1 2010	52	360	2,31
Q2 2010	47	282	2,00
Q3 2010	62	346	1,86

Prices

Average price of available flats in new projects 1.896 €

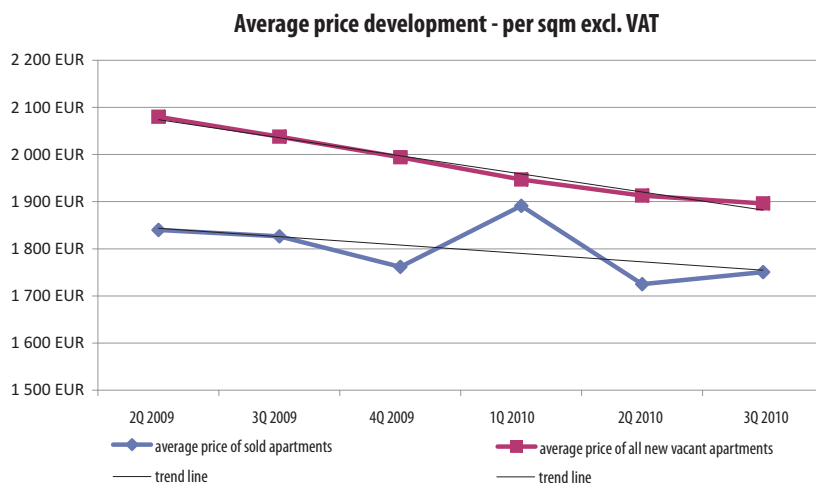
Average price of flats in projects that registered selling 1.750 €

The search for a reasonable price for housing in new buildings continues. Overall average price has been decreasing for 18 months now, and the tendency points to continued fall in the following period. In the current quarter in comparison to the previous one, the demand was oriented on the projects with higher average price. Together with larger number of projects which were selling, this points to the fact that had been known for some time now. That the offer of flats which meet the requirements of the market is getting lower and the buyers are forced to widen their range of interest, and, within their possibilities, respect the prices.



Prognosis

With stagnating offer and gradual stabilisation of average price it is possible to assume that the tendency of revival of projects that were stopped, or launching of new projects will continue also in 4Q 2010, and during the whole of 2011. Despite the overall slowdown in sales of new buildings, there are projects on the estate market that do record very positive response and above-average sales. The average price for new buildings could be stabilized at level between 1.700 and 1.800 €/m2 (VAT excluded), on the scale of the present-day prices in individual projects. With high probability the representation in individual sections will change in advantage of luxury projects. The current trend indicates to low and lower-medium segment.



LEXXUS is participating in sale of 14 residential projects:

Jantár Jarovce	Vinohradis
Tri Veže	Dubravia
Slnecnice	Rezidencia Záhorská
River Park	Citadela Vista
Bytový dom Brečtanka	Slanec Pekná Cesta
Hlboká 7	Vienna Gate
Perla Ružinova	Sunny Residence

and 7 recreational projects:

Apartmány Hrabovo	Apartmány Kukučka
Apartmány Veľká Lomnica	Jazero Vojka
Grand Residences Tatranská Lomnica	Pálenica
Smrek	

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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.