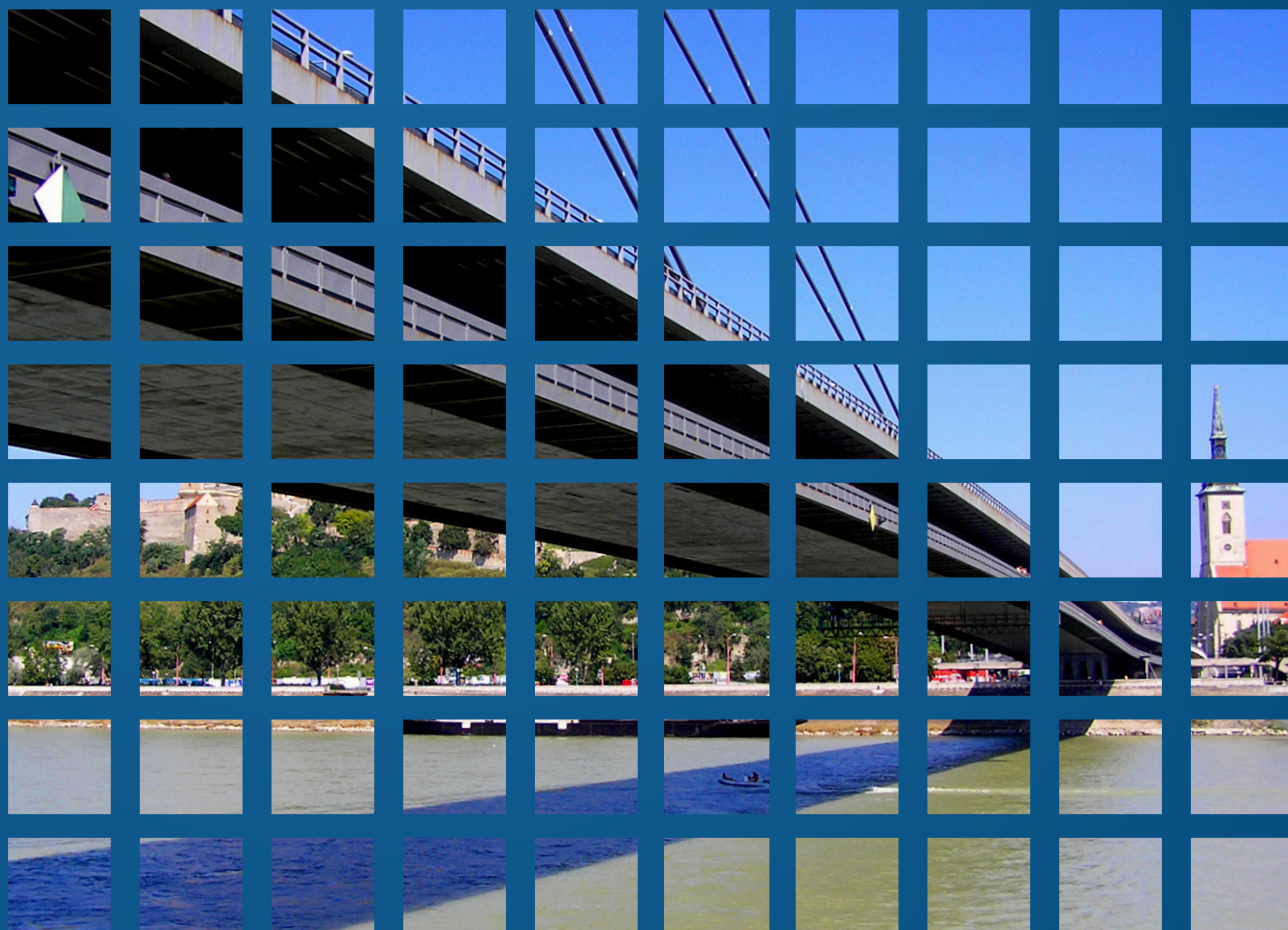


# LEXXUS

Kľúč k vášmu bývaniu



## Market overview of new apartments in Bratislava Q1 2011

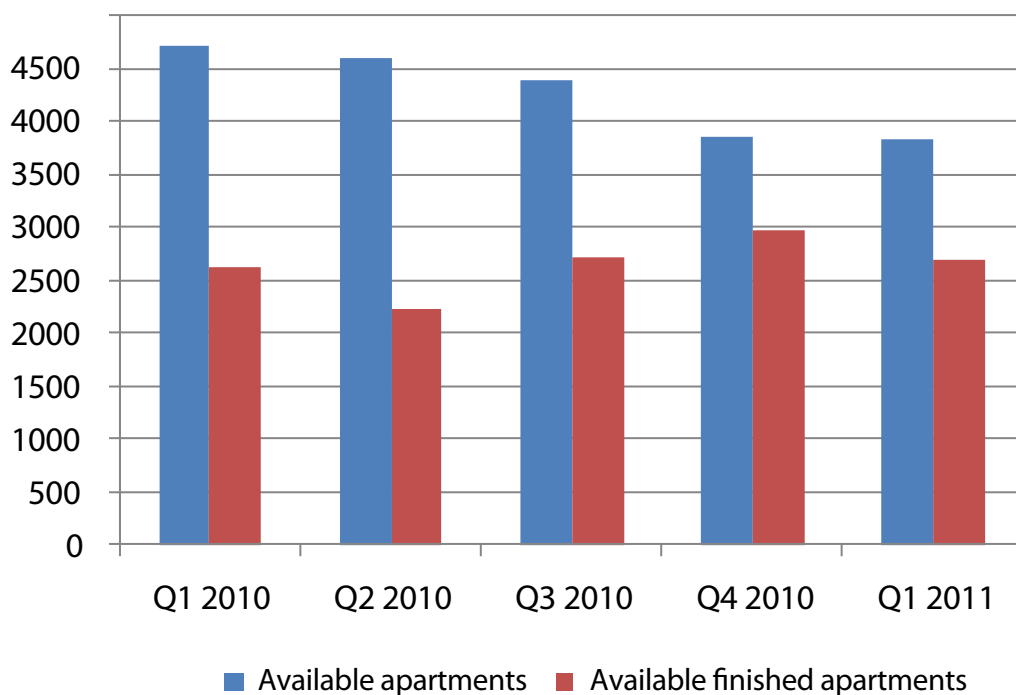
In the Q1 of 2011 the trend of the growing interest for new housing was confirmed. In the year on year comparison the Q1 of 2011 is more successful in the number of sold apartments. The offer has begun to grow, however the price is on moderate decline thanks to the better availability of the starting projects.

## Offer

The developers of new buildings went for certainty and that is the reason why the offer of new housing is growing mostly by follow-ups of the successful projects. Already proven concept and location, supported by the favourable price welcomed by the wider group of clients in search of their own housing is a record breaking product.

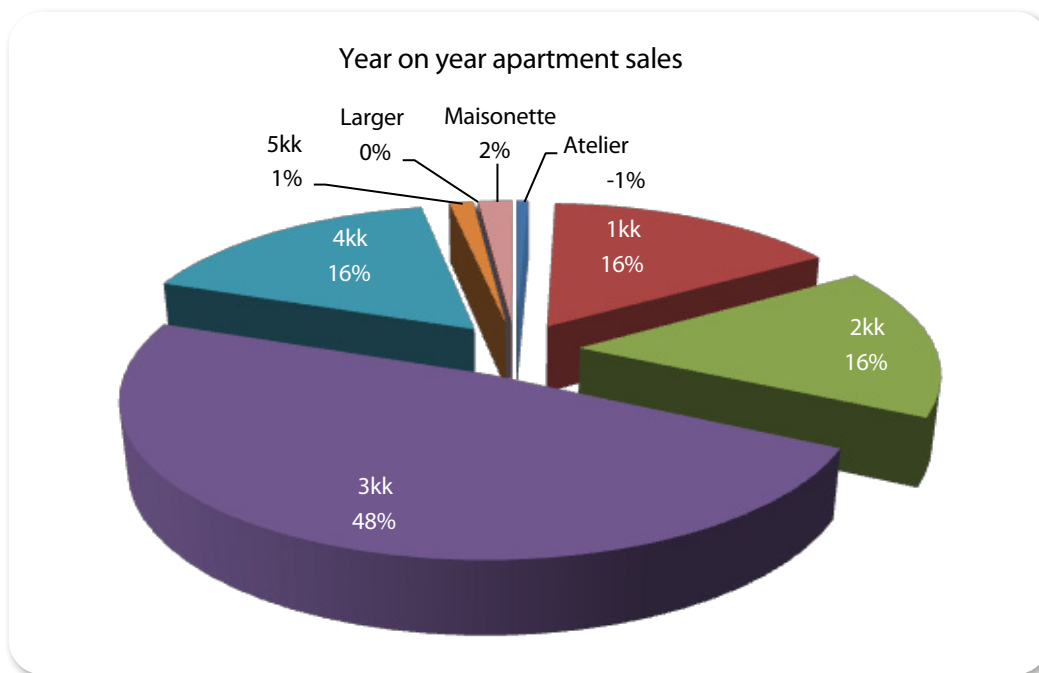
The number of sold apartments exceeds the number of apartments added into the offer (559) in the Q1 of 2011, thus the overall capacity represents some 3.835 apartments. Finished apartments constitute over 70% of this set in the total amount of 2.705 apartments. After a year the offer of finished flats registered decrease, for the greatest part of the 2kk type. Of the total number of apartments in new buildings, only some 33% are unsold today.

From the total number of available apartments the 2KK type represents about 38%, followed by the 3kk type with 32%. A year ago this situation was reverse.



## Demand

The interest in new housing is constantly growing. In the year on year quarter comparison a 75% demand increase can be seen, focusing mostly on finished new buildings. Despite the fact that by now the highest apartment sales have been recorded for the 2kk type, it is still the 3kk type apartments which have registered the highest increase in demand in the last 12 months. In the total number of sold apartments in the last year the 3kk type represents c. 48%, the 2kk type c. 16%, the 4kk type c. 16% and the 1kk type c. 16%. The remaining percentage is represented by ateliers, maisonettes, the 5kk type apartments or larger apartments.



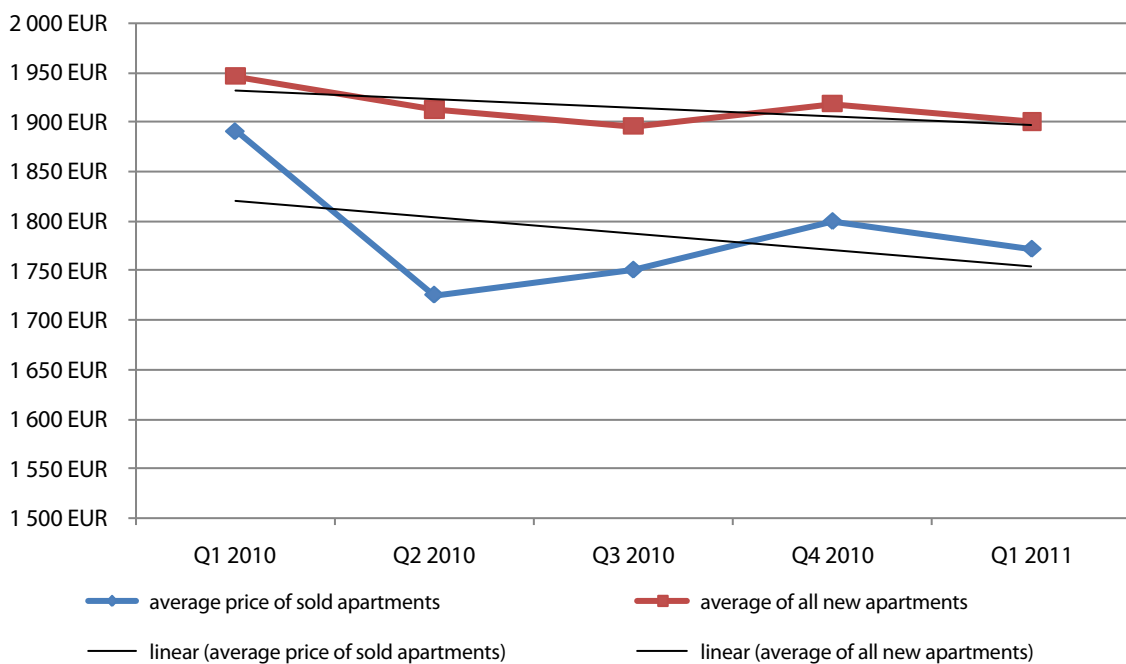
Overall 636 apartments in 72 projects were sold. BAII continues to be the most popular location where 267 apartments were sold in 21 projects, of that 109 apartments in the projects launched in Q1 2011. In the BAV district however 146 apartments were sold in 11 projects, of that 60 in the two projects which started to be offered in Q1 2011. BAV thus became the location where the most flats on project are sold on average – almost 4.5 flat per project a month. Some 27% of all apartments were sold in the projects which were available in Q1 2011, 60% in already finished projects.

city district	projects that registered sales	sold apartmetns
BA I	8	29
BA II	21	267
BA III	20	117
BA IV	12	77
BA V	11	146
<b>Total</b>	<b>72</b>	<b>636</b>

## Prices

Prices calculated per m<sup>2</sup>, VAT excl., are oscillating at 1.700 EUR/m<sup>2</sup> and 1.800 EUR/m<sup>2</sup>. Projects with the average price of 1.550 E/m<sup>2</sup> have come to the market in the 1Q of 2011, and thus the level of the average price is slightly decreasing. The discounting of projects continues. Officially 6 projects lowered the prices by 10%, one project even by 25%. Discounting is present mostly in projects which passed the final building approval over a year ago, and at the same time the projects with stagnating sales. On the contrary in the projects which in the last 6 months registered higher sales, or are finishing selling of certain apartment types (for example thanks to the previous price lowering), the price increase can be observed.

Average price development in BA in last 12 months - Eur/m<sup>2</sup> excl. VAT



## Mortgages

As a result of the current situation on the mortgage market, which can be characterized by low interest rates (3.55% annually) and a constant moderate loosening of mortgage terms by banks at assessing applications, the number of mortgage loans has registered an increase by up to 90% when compared to the same period of the previous year. In the Q1 of 2011 mortgage loans with a total value of 377.787,000 EUR were provided. However the increase in the number of provided loans includes also the refinancing loans, where clients took advantage of the favourable interest rates to refinance their existing mortgages.

## Prognosis

In the previous period apartment sales dominated the most on the secondary market. Nowadays the demand for new developments has been evening out with the interest in flats on the secondary market.

One of the reasons is that the existing real estates, either new or old buildings, do not meet the requirements of those interested in buying an estate. Therefore they give preference to "buying from papers". We expect this trend to continue, since the supply of existing new buildings has been decreasing relatively rapidly. During the year the stabilisation and the gradual rise of interests are expected as the ECB raised the key interest rate by 0.25% in April and the possibility of a further increase up to 1.75% from the original 1.0% till the end of the year cannot be ruled out as well.

### LEXXUS is participating in sale of 17 residential projects:

Jantár Jarovce	Vinohradis	Tri Veže	Dubravia
Slnecnice	Rezidencia Záhorská	River Park	Citadela Vista
Hlboká 7	Perla Ružinova	Sunny Residence	Duality Rovinka
Mestské vily Horský Park	Villa Rustica	Palác Motešických	Pozemky Čierna Voda
Pozemky Zelené Terasy I, II			

### and 7 recreational projects:

Apartmány Hrabovo	Apartmány Kukučka	Apartmány Veľká Lomnica	Grand Residences Tatranská Lomnica
Pálenica	Smrek	Apartmány Unipharma Donovaly	

**The real estate agency Lexxus has from its start been contacted by approximately 20.000 clients. We have helped over 2.300 of them to find their home thanks to our service. During the six years of our activity we have participated in selling of apartments, suites or land plots in 40 important projects.**

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Research and Real Estate Consultants Department in Bratislava covers activities dealing with market research, monitoring of new residential buildings as well as the consultation on the construction of new residential and recreational 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.