

# KPMG: Banks willing to finance quality projects

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Financing real estate in Central and Eastern Europe remains unclear mainly due to a significant decline of transactions and variable performance of the real estate sector in the different countries. According to KPMG, banks are not convinced of the potential market recovery in any country, maybe with the exception of Poland, the Czech Republic and Slovakia, where the market hasn't been affected by the crisis to such extent. While debt financing remains problematic for many property developers, disposal of a large number of portfolios hasn't yet taken place.

Banks believe that in most cases, the problem loans can be successfully managed through restructuring. KPMG survey results confirmed they rather try to actively manage their real estate loans than immediately seek an involuntary sale of the mortgaged property. Debt restructuring is seen as a good approach at least in the short term. However, it is not clear whether it could be a long-term solution.

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