

Prague: average prices of building plots will increase by 4 %

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Prices of building plots in Prague will increase by 4 % on average against this year. A draft by-law which determines price map of building plots in the capital shows this. It has so far been approved by the city council, after that it will be approved by deputies. "If we compare the price map for 2010 and price map for 2011, there is an average price increase of 4 per cent," said Radek Svoboda, head of city asset management department. The reason for more expensive land is primarily a shortage of places usable for lucrative commercial buildings. The price level gradually decreases towards the edges of the city. A square metre in the inner city will be starting at an average of 12,230 crowns next year; the price will be approximately double the price in other areas of the city second year in a row.

Average price of building plots has increased by 4 % already this year [ie. 2010]. For next year, 19 % of plots have been newly valued or revalued. The capital follows the price map when selling land, the map is also important for experts who evaluate plots. The prices are also affected by transactions entered in the Land Registry. The map should thus be a reflection of what is happening in the real estate market.

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