

Slovakia: Real estate market has touched bottom

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Slovak real estate market has touched bottom. Property prices have ceased to decline. In recent years, they were significantly influenced by the economic crisis and decreased by 20 - 30%, depending on the location whereas they are stable now, according to the president of National Association of Real Estate Offices SR (NARKS) Lubomír Kardoš. Real estate market slump is eased by favourable mortgage loans, mainly small-area flats sell even at higher prices than in the past in some areas. Market stagnation, according to Mr Kardoš, was deepened by distrust in its early recovery. "Yet I am convinced that investment in real estate is a good investment. We only advise clients to be diversify it into multiple commodities," Mr Kardoš said. He stated that it concerns mainly traditional locations and major cities such as Bratislava, Banská Bystrica and Košice. On the other hand, the massive construction in large cities, that he called "crane effect", has stopped. Primarily large multinational companies are now investing in construction. Mr Kardoš mentioned for example projects in Petržalka area in Bratislava. "There is construction at good prices, which will push prices of older flats down. The market has not come to a complete halt," Mr Kardoš stated. According to him, there are smaller projects in Slovakia too. Good location gives assurance of sales. Opposite situation is the initiated investment in the Low and High Tatras. Some companies started them before the crisis so they had to preserve the building sites.

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