

HN: Sekyra Group returned to profit last year

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Property development firm Sekyra Group has swung from last year's loss caused by the real estate crisis to profit. While in 2009 the company lost CZK 290 million, it is expecting a consolidated profit of CZK 135 million for last year. The newspaper Hospodářské noviny (HN) stated this. "Last year was very successful, sales of flats were the best for the past three years," Luděk Sekyra, owner of the group told HN. According to him, the reasons are more accessible mortgages and government's decision for increase VAT. "Many potential buyers decided to buy a flat before the tax increase. In our key projects such as Belarie or Korunní, last year's sales exceeded our expectations," said Mr Sekyra. In both locations, the group sold flats worth CZK 950 million last year, however, it had to reduce prices by about a quarter.

Sekyra Group is completing sale of flats from Prague residential projects started before the outbreak of the first phase of the real estate crisis. And it also expects to launch four major property development projects in Prague on the plots on Rohanský island, around Žižkov and Smíchov railway stations and Vítězné square in Dejvice. Initial construction will start already this year, according to Mr Sekyra. It will probably start in Smíchov, where demand for office space continues, according to him. The group has undergone a significant leaning process in the past two years. Its assets decreased from 7.5 billion two years ago to CZK 5 billion. The number of employees decreased by 40% to 40, the group simplified its internal structure, sold several large projects and completely withdrew from Russia and Slovakia. "We want to focus solely on our projects in Prague. It is Prague together with Warsaw, which are considered the only promising market opportunity for real estate investment in Central and Eastern Europe," he added.

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