Prague halts promised privatization of flats

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CIJ iDesk I

Documents attached:

Prague's city assembly promised to privatize more than nearly 4,000 flats in 2012 in four waves, but it decided yesterday to shut the process down on the last 804 of them. Since 2012, the city has sold 2,532 flats to their tenants and had begun selling procedures on 582 of the 1,386 left to sell off. The current solution is to complete sales only on those where the process is already underway. Rapidly rising prices for residential real estate has become a serious political issue in recent years, especially since rental rates are rising quickly as well. Having privatized most of its municipal housing stock, the city is already unable to influence the situation as a landlord. However, critics of the decision to break its promise to sell on these last 800 flats say it's unfair to their tenants. Some passed up opportunities to buy flats before prices skyrocketed, while others are now too old to qualify for mortgage loans.