

Svoboda & Williams' Market Report Tackles the Last Half-Year in Prague's Premium Property Market

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Svoboda & Williams

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The Svoboda & Williams real estate agency has published its third Market Report. The recent developments in the premium segment of the Prague residential property market are once again summarized in a practical overview, together with key trends in the first half of 2019.

The Market Report analyzes the data on sales and rental transactions that are generated by the activities of the Svoboda & Williams real estate agency. Together with property sales figures from the cadaster of real estate with parameters that fit into the portfolio of Svoboda & Williams, we developed a comprehensive overview of the current sales and rental prices on the Prague premium residential market. The price analysis also includes a summary of the demand and supply of properties in this segment of the market as well as commentary from agents of Svoboda & Williams. The Market Report has a section entitled Focus, which examines various topics associated with the real estate market. This time, its subject is Nusle – a neighborhood that is currently undergoing a major transformation.

Svoboda & Williams noted the following trends in the premium residential segment in the first half-year of 2019:

Sales:

- demand is stagnant and is returning to the level prior to the outbreak of the purchasing euphoria of 2017

- average achieved prices of premium apartments have stayed more or less the same as in 2018
- prolonged approval processes, an insufficient construction workforce, and rising construction prices continue to slow down the completion of new residential projects
- almost half of the monitored projects are reconstructions of older apartment buildings

Rentals:

- demand continues to be strong
- the achieved rents of premium apartments increased slightly, year-on-year growth was 3.8%
- in Prague, rental yields are 2-3% and are even higher in Brno and the countryside
- Czech tenants are increasingly moving up into higher price segments and are slowly catching up to foreigners
- the number of rental housing projects rose only slightly

A detailed analysis of sales prices and rents on the Prague premium property market based solely on realized and not offered prices is a traditional component of the Market Report. For this purpose, Svoboda & Williams created the analytical tool The Rental Price Index by S&W + VŠE in cooperation with the Faculty of Informatics and Statistics, University of Economics in Prague.