
Slowdown signs - Czech new flats construction in Q3 dips

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Czech Statistical Office said that building companies in the Czech Republic started the construction of 11,234 flats in the third quarter of 2009, down by 5.7% YoY. The largest number of dwellings that started to be built in the third quarter was recorded for flats in family houses, but their number fell by almost one fifth YoY to 5,291. The total value of new construction orders decreased by 26.4% YoY.

Mr Vaclav Matyas president of the Czech Association of Building Entrepreneurs said that unwillingness among banks to lend money for new projects to builders is the biggest obstacle to housing construction. There are no signs that developers' access to loans would improve in foreseeable future. He added that "The decreases will certainly not stop and will continue."

The CSU said that "For all other categories a growth was reported compared to the corresponding period of 2008. The number of dwellings started in multi dwelling houses increased by 8.7% as compared to Q3 of 2008 and construction of 4,080 dwellings was started."

Mr Ondrej Novotny, an analyst from international consulting company King Sturge, said that the figures on started construction were a surprise. He added that "Considering that demand for new homes is currently still rather weak and cautious, the increase in construction of new flats in multi dwelling houses is puzzling."

Construction companies with 50 or more employees registered 11,200 contracted orders at end September. These orders represented a stock of work to be done worth CZK 176.1 billion. Of the total value of domestic construction orders at the end of the third quarter, public orders accounted for CZK 123.3 billion and private orders for CZK 39.3 billion.

(Sourced from Czech News Agency)

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