

## COMMERCIAL REAL ESTATE



**Members of local government council in Bratislava district of Dubravka passed regulation of construction in the district in two locations at today's session.** "Bratislava land-use plan has wide range, we had to regulate it," said Dubravka Mayor Martin Zatovic. He further said that there are two cases so far. "The location Pod Zahradami was exchanged for a plot in the Old Town two years ago. Dubravka district council voted on this exchanged seven times in the past. We know that it is a building site but we want to regulate it to make sure construction that is supposed to take place there will be secured. But there are experts for that who know to what height the building should rise," said the Dubravka Mayor. • [SITA \(26.5\)](#)

**Many cranes and unfinished buildings in biggest Slovak cities indicates the start of the real estate contest or even recurrence of real estate boom.** Although construction companies have not yet recover from the previous slump and still aggravate open wounds from the time of the biggest crisis in form of bankruptcies and restructuring, developers will not hesitate. Available cheap money thanks to low interest rates together with strong demand for new housing motivate them to build. And so big modern shopping centers, retail parks and big box zones supplemented with office zones and mainly pervasive residential buildings can be found among the projects under construction. Not just a few most significant names of past years such as HB Reavis, JT Real Estate, Cresco, Penta or YIT are active. New strong players accompanied by smaller investors which seized the current opportunity join them. • [Trend \(28.5\) p. 22](#)

**Owners of current unrecognized, illegal constructions, will have three years to apply for additional permit.** This means that since the new construction law takes effect, which is suggested as of July 1, 2016, they will have to apply for construction permit until June 30, 2019. Constructions without permit will otherwise be pulled down. Construction offices will decide on additional permit for constructions in five following years, which is until June 30, 2024, based on their own initiative. "Construction will be issued additional building permit only in case it will meet all terms, in compliance with the new law. If such decision is not issued, the construction will have to be pulled down," state secretary at the Ministry of Transport, Construction and Regional Development Frantisek Palko informed on Wednesday. The government passed the draft of the new construction law and its more than thirty revisions on Wednesday. • [SITA \(27.5\)](#) • [SME \(28.5\) pg. 05](#) • [Hospodarske noviny \(28.5\) pg. 04](#) • [Plus jeden den \(28.5\) pg. 02](#) • [PRAVDA \(28.5\) pg. 10](#) • [TV Markíza \(27.5\) pg. 05](#)

**The new law on land-use planning (construction law) and its implementing regulations aim to create conditions for higher quality, acceleration and increased effectiveness of construction.** The legislation also aspires to solve the existing problem of lower discipline in this area. The government passed the proposed construction law with reservations on Wednesday. It will replace the currently effective law from 1976 including its later revisions with the exception of expropriation which will be regulated by a special law. Suggested construction law replaces the concept of the land-use planning with the horizontal level of master plans of individual territorial units. It extends the obligation to have a master plan for all municipalities. "Every municipality should have expertly processed strategic document of land-use development which will contribute to improvement of life of citizens also by exclusion of the territory," Reasoned the Ministry of Transport, Construction and regional development as a proposer. • [SITA \(27.5\)](#) • [TA3 \(27.5\) p. 03](#) • [STV \(27.5\) p. 14](#)

**Companies extend their space and rent more areas in the industrial park P3 Bratislava.** There companies operate in the area of e-commerce and logistics for automotive. The developer, the company P3, thus rented to its long-term renters Schnellecke Logistics and Muziker additional 3,840 square meters of storage and office space. Director of P3 for Slovakia Peter Janosi says that both companies thus confirmed the fact that e-commerce and retail sector as well as suppliers for automotive industry are growing in Slovakia. • [magazin.reality.sme.sk \(27.5\)](#)

**Miroslav Ivan Freedom and Solidarity (SaS) political party claims that the draft of the new construction law legalizes existing illegal constructions.** Liberals pointed out the statement of Transport Minister Jan Pociatek saying that the new law would put an end to illegal constructions. Freedom and Solidarity supports the plan of Transport Minister Jan Pociatek to put an end to unrestrained construction of arrogant constructors which do not respect law and abuse benevolence of the current law in Slovakia for once and for all. However, we believe that the ruling party SMER wants to legalize existing illegal constructions with this law," said team leader of SaS for transport and construction Miroslav Ivan. • [SITA \(28.5\)](#)

**Almost three years after the plinth of the multifunctional project 3nity in Bratislava district of Ruzinov collapsed, its new shape is known.** The current owner, construction and development company Metrostav, will pull down major part of planned retail space and replace them with greenery. The name of the new project is CityPark Ruzinov and the first presentation will be at the TREND Conference Real Estate and Development. "The shopping and office space center will become residential center focused on increasing the quality of life of the local citizens," says Vladimir Paulicka, head of the division Real Estate in Metrostav. The developer plans to pull

down the already standing part besides the collapsed part of the multifunctional plinth. Shopping and wellness center projected in the originally presented will be replaced with the green area covering 7,782 square meters. There should be together 432 apartments, 120 suites, lofts and studios in three towers with the unchanged height – the tallest one will have 26 floors. • [eTrend.sk \(29.5\)](#)

## RESIDENTIAL REAL ESTATE



**Five Investors that would like to produce substitute rental apartments for people from the reconstructed and privatized houses together with the municipality responded to the call of Bratislava as of beginning of May.** The capital city is obliged to secure about 580 such apartments by 2016 in compliance with laws from 2011 (terms have been gradually revised). The state gives a subsidy for the procurement of such housing, it is earmarked only for this purpose and it can be obtained only in a certain amount for prescribed types of apartments. The number of rooms of individual replacements and the standard of facilities which will secure immediate usability of apartments after conclusion of rental contracts is specified. Tenants of restructured and privatized houses did not receive the chance to purchase their apartments for lower than market prices as other tenants by law. • [magazin.reality.sme.sk \(25.5\)](#)

**Almost 1,500 new apartments within 19 projects were added to the offer of residential real estate on the market in Bratislava in the period from October 2014 to April this year.** This is according to a survey conducted by consultancy company JLL. In the monitored period the demand for apartments went up 32 percent. It is an increase of 61 percent versus the five-year average. According to JLL data Bratislava currently offers 3,711 apartments in 147 projects. The consultancy company expects increase in the supply in the future but the development of demand remains uncertain. Nove Mesto (New Town) has been the most dynamic city district in the past six months, according to JLL. “Massive construction starts here, we register several new projects which are planned. Nove Mesto is catching up with the Old Town, Petralka and Ruzinov, concluded Bosacky. • [SITA \(26.5\)](#)

**Development company VI Group launched the sale of the first half of over 120 apartments in the new project Muchovo Square.** Two nine-floor apartment buildings interconnected with a parterre and underground garage will be built on the square of the same name at the beginning of Petralka district near Old Bridge. “We expect the construction to start on the turn of August and September,” says Richard Duska, Chairman of the Board of Directors of VI Group. Before that, apartments in the block more distant from the bridge will be offered for sale. The offer comprises together 112 apartments and 13 suites. Smaller two-room apartments supplemented with several three-room apartments prevail. There are also penthouses with three or four room on two top floors. All apartments have a balcony or terrace and are sold with standard facilities. And

apartment with the area of about 42 square meters and a six-meter balcony thus costs 89,000 including VAT. A three-room apartment with 67.5 square meters and almost 9 meter balcony costs just below 130,000 euro. The basic price list price is thus about 2,000 – 2,200 euros. • [eTrend.sk \(29.5\)](#)

**The town of Zvolen obtained the premises of former military barracks Hronske Kasarne in the housing estate Balkan and decided to turn it to a new, mainly residential zone.** Since them five of all eighteen objects have been reconstructed to rental housing. Further development of the zone depends on financial sources of the town and access to other sources. Private investors have not expressed interest in the construction. “Immediately after taking over the premises, a land-use study was processed with the aim to change the military character of the area to construction of apartment houses and civic amenities,” said spokesman of the town Martin Svatuska and added that conclusions of the document are still effective and the previous construction observed them. There are four reconstructed houses of standard category with together 112 apartments and one reconstructed apartment house of lower standard class with 23 apartments so far. • [eTrend.sk \(29.5\)](#)

**Before a residential complex Jegeho Alej was built in Bratislava district of Ruzinov, Residence Tower was planned between Salesians Church and the historical building of the defunct former thread factory Cvernovka.** The tower with 32 floors and the height of 107 meters was supposed to be the highest residential building in Bratislava at that time. There is only an abandoned crane on the site standing above the dug hole there for years. The multifunctional building with 252 apartments, office space, shops, services and a hotel obtained a building permit in 2006. Project’s investor, joint stock company Residence, formally applied for extension of a building permit again last year. • [eTrend.sk \(29.5\)](#)

## NEW INVESTMENTS



**People from Kysuce region have the reason to be in high spirits.** Korean investor building its production plant here has arrived in Krasno nad Kysucou. The company Hyunnam SK will create 250 jobs in the first and 500 jobs in the second phase. The investment will reach 12 million euros. Plastic castings and sound protection material for companies Kia and Hyundai will be produced here. Besides car production plants in Teplicka nad Vahom, Nededzi and in villages near Zilina, the investor connected with car producers arrives also in Kysuce where unemployment rate in the past three years stands at 12 -13 percent. • [Plus jeden deň \(29.5\) p. 07](#)

**The Economy Ministry is preparing a special law on strategic industrial parks.** The ministry wants to create areas for construction of big plants. Ministry’s initiative comes in the time when decision-making on placement of a large investment in our region peaks. RTVS informed that Slovakia can obtain a car production plant which would create 8,000 jobs. The company

seeks a large site. The special regime could apply to such plot, according to the prepared legislation. . • [STV \(28.5\) p. 01](#)

## CORPORATE NEWS



**Design company Dopravoprojekt seated in Bratislava reported pre-tax profit of 796,860 euros last year which is a 164,6 percent more than the year before.** According to company's economic results, profit after taxation stood at 665,240 euros and thus increased by 194.5 percent compared with 2013. The company informed that last year's profit was registered despite the still difficult situation on the construction market, mainly in the area of payment discipline of construction companies. Dopravoprojekt reported overall revenues of 18.8 million euros in 2014 and overall costs stood at 18.14 million euros. Revenues from the main activity in the amount of 18.68 million euros swelled 28.5 percent year-on-year, consumption represented 10.86 million euros and thus increased by 34 percent, Added value totaling 7.81 million euros thus climbed by 45.4 percent. Shareholders approved the results of economic activity for last year at the shareholder's meeting last week. • [SITA \(26.5\)](#)

**The construction company Vahostav-SK (Vahostav) informed on Tuesday that Judge of the Bratislava I District Court Kata-**

**rina Bartalska confirmed the completion of the company's restructuring, thus closing more than seven months long process of recovery of the company with 1,500 employees.** "The court's decision proves that there are no legal reasons that would call into question the process of restructuring. The company can thus fulfill the plan that was recently approved by creditors," said CEO of Vahostav Marian Moravcik. Based on the newly adopted legislation, the conditions for writing off debts fundamentally change after the recovery process is completed. "The change in laws does not enable to write off debts towards ordinary suppliers as it was in the past," said Moravcik. • [SITA \(26.5\)](#)

**Confidence indicator the construction sector increased by 4 points to minus 9 in May compared with the previous month.** It was affected by more favorable assessments of expected employment as the amount of orders. The current result exceeds the long-term average by 19 points, the Statistics Office informed on Thursday. The construction activity trend indicator decreased by 12 points to eighteen in the past three months compared with the level a month ago. Reduction of construction activity was registered by 14 percent of respondents, 37 percent registered increase and 49 percent registered unchanged level. • [SITA \(28.5\)](#)