



Warsaw, 4 October 2016

## Dom Development: Trading update Q3 2016

### 1. Sales

In the third quarter of 2016, sales increased to a record-high 705 units net from 701 in the second quarter. Total Q1-Q3 2016 sales were 2 021 units net, a rise of 19% against the same period last year. We achieved the biggest sales volumes on the following projects: Żoliborz Artystyczny, Saska, and Wilno.

### 2. Deliveries

We delivered 500 units, which with the 820 units in H1 2016 gives 1 320 deliveries for Q1-Q3 2016 (27% increase against the same period last year). The main projects for the Q3 2016 financial results were Saska (127 units), Wille Lazurowa (124), and Osiedle Przyjaciół (88).

### 3. Market

The housing market remained strong. Demand dipped in July, but rebounded strongly in August and especially September. Supply matched demand, leading to stable prices. Low interest rates continue to support the market, as do record-high levels of household savings.

As for Q2, approx. 40% of our sales in Q3 were cash transactions. In Q3 2016 we saw no significant changes in the mortgage market. The suspension of the *Homes for the Young* subsidy programme had no major impact on sales. However, we expect rising sales of popular segment flats in January, when the programme re-opens.

Developers seem prepared to take more risk to acquire land, especially small land plots targeted by small and mid-sized developers. Our significant cash balances put us in a highly competitive position, as evidenced by our purchase of the 750-unit Marina Mokotów project.

We continue to view a diversified land bank with oven-ready projects as essential. From Dom Development's point of view, the housing market configuration is highly favourable. We look forward to the forthcoming quarters with confidence and optimism.

*Jarosław Szanajca – President of the Management Board*

*Janusz Zalewski – Vice President of the Management Board, CFO*