



Warsaw, 4 July 2023

Dom Development S.A. Consolidated Group: Trading update Q2 2023

1. Sales

In Q2 2023, Dom Development S.A. Capital Group sold 931 units net, including: 345 in Warsaw, 282 in Tricity, 194 in Wrocław and 110 in Cracow.

The highest quarterly sales were recorded in the following projects: Osiedle Jagiellońska (60 units), Osiedle Urbino (52), Apartamenty Białej Koniczyny (48) in Warsaw, Osiedle Lema (47 units) and Doki (44) in Tricity, Osiedle Braniborska (59 units), Osiedle Komedy (55) and Osiedle Zielna (32) in Wrocław and Górka Narodowa (76 units) in Cracow.

Total H1 2023 Group sales amounted to 1 845 units vs 1 559 units in H1 2022.

2. Deliveries

IN Q2 2023, the Group delivered 648 units, 181 of which were in Warsaw, 375 in Tricity, 59 in Wrocław and 33 in Cracow.

The financial results for Q2 2023 were largely influenced by the delivery of the following projects: Osiedle Ceramiczna (82 units), Osiedle Boksterska 71 (35) and Metro Zachód (33) in Warsaw, Doki (127 units), Osiedle Dynamika (74) and Osiedle przy Błoniach (67) in Tricity, Osiedle Komedy (48 units) in Wrocław and Górka Narodowa (29 units) in Cracow.

Total H1 2023 Group deliveries amounted to 1 998 units vs 2 178 units in H1 2022.

3. Market

Q2 2023 turned out to be another quarter where we observed a positive shift in the economy and a gradual rebound in residential property sales. It was one of the calmest periods since the outbreak of the pandemic, with a clear focus on finding a "new equilibrium" between supply and demand.

The revival of the property market is best explained by several factors that have contributed to favourable sales results. Firstly, interest rates stabilized over the past several months. Furthermore, demand has been positively impacted by the PFSA relaxing its stress-testing criteria for new mortgages. This, coupled with significant wage growth over the last six months, raised affordability for customers in the popular segment.

Investment in residential property continues to be driven by high inflation rates and a robust rental market, alongside negative real interest rates on bank deposits. Interest in new apartments is also being fuelled by enthusiasm for the government's "Safe 2% Mortgage" program. Moreover, with the limited supply of properties from developers after a difficult 2022, we are witnessing a steady rise in property prices.

At Dom Development Group, 46% of Q2 transactions were financed through mortgages (compared with 40% in Q1 and 30% in Q2 of 2022). Cash transactions made up 54% of sales, highlighting the still high level of investment transactions.

To meet the increasing demand, the Group consistently launches new projects that align with market expectations. This strategy helps replenish our offer in all the cities where the Group operates. The stabilization of construction costs has diminished the main threat to our margins. Dom Development Group further benefits from this situation by utilising its in-house general contractor to build Group projects.



In the second half of 2023, we expect to continue expanding our offer. In the current environment, developers such as Dom Development Group possess distinct advantages. Our experience, reputation for delivering high-quality developments, diverse land portfolio, and stable financial position place us in a strong position to launch projects smoothly.

Jarosław Szanajca, President of the Management Board

Leszek Stankiewicz, Vice President of the Management Board, Chief Financial Officer