



Warsaw, 5 October 2015

Dom Development: Trading update Q3 2015

1. Sales

In the third quarter of 2015 our sales increased from 598 in the second quarter to a record level of 640 units net. Total Q1-Q3 2015 sales were 1 705 units net giving a rise of 22% YoY.

In Q3 2015 we achieved the biggest sales volumes on the following projects: Żoliborz Artystyczny, Saska, Wilno, and Studio Mokotów.

2. Deliveries

In the third quarter of 2015 we delivered 478 units, which along with the 565 units in H1 2015 gives 1 043 deliveries for Q1-Q3 2015 (23% decrease YoY).

The key projects in terms of the Q3 2015 financial results were Żoliborz Artystyczny (162 units), Oaza in Wrocław (103), Palladium (79), Wilno (54), and Saska (41).

3. Market

In Q3 2015 many positive factors influenced the housing market, as evidenced by our record quarterly sales. Low interest rates kept supporting demand both from cash investors as well as from mortgage borrowers.

Positive signals from the economy, especially from the labour market, led to increased demand. Consumer sentiment has been improving since 2013. This influences the housing market – the continuing moderate improvement in consumer attitude facilitates the decision to upgrade their accommodation.

We are observing a balanced demand for flats of different sizes – the pace of sales is similar for both compact and bigger flats. The high level of interest in upper standard flats is connected with increased activity of second-time buyers looking for more space or a higher standard of accommodation.

Popular-standard flats also enjoy high demand– the *Homes for the Young* government programme still supported the market in Q3 2015. Extending the programme to the secondary market has not adversely affected the primary market so far. However, decreasing the price limit for the Warsaw primary market may reduce the number of eligible transactions.

In Q3 2015 cash purchases still constituted around 30% of transactions. Among mortgage-supported purchases we observed an increase in the equity contribution, which in our opinion is connected with second-time buyers purchases.

Q4 2015 should not bring significant changes. Although developers have increased their investment activity, the total stock on offer remains stable, as demand is increasing proportionately. Prices are steady, and may be at the beginning of an upwards trend. The favourable macroeconomic environment should lead to further balanced development of the housing market.

Jarosław Szanajca – President of the Management Board

Janusz Zalewski – Vice President of the Management Board, CFO