

MARKETBEAT

RESIDENTIAL NEW BUILDS MARKET

BRATISLAVA Q2 2025



MARKET FUNDAMENTALS Q2

	YoY Chg	12-Month Forecast
3,239 Available units	▼	▲
797 Sold units	▲	▲
€5,750 Average listing price per sq m (1-bed + kitchen) with VAT	▲	▲
1.0% YoY Real wage growth Q1	▼	▲
3.6% Average mortgage rate May <i>(New residential development only)</i>	▼	▼

ECONOMIC INDICATORS

	YoY Chg	12-Month Forecast
0.9% GDP Growth Q1 2025	▼	▲
3.7% Unemployment Rate May 2025	▼	—
4.1% Inflation May 2025	▲	—

Source: BuiltMind, National Bank of Slovakia, Slovak Statistical Office

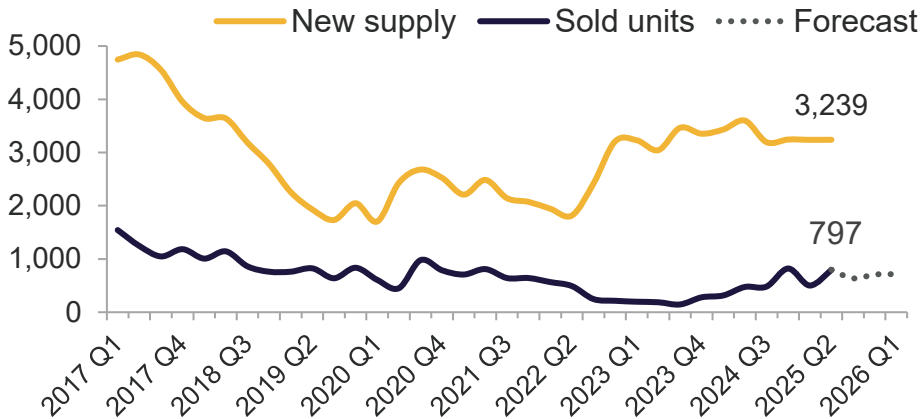
ECONOMY: INTEREST RATES DECLINE, INFLATION REMAINS ELEVATED

Inflation in Slovakia reached 4.10% in May, marking the highest level in the past 17 months. The strongest upward pressure came from food and services, partly due to the real impact of the transaction tax. Rising prices are reflected in retail turnovers, which declined by 1.30% cumulatively over the first 5 months of the year, as consumers remain cautious and increasingly price-sensitive. A slowdown in inflation is expected in the autumn; however, it will likely remain around 4.00%, significantly above the Eurozone’s inflation rate, which is closer to the ECB’s 2.00% target. To support economic growth and ease financial conditions, the European Central Bank further lowered its key interest rate to 2.15%. This has partly translated into a reduction of mortgage rates in Slovakia, which have dropped by an average of 0.3% since the beginning of the year, with some banks offering rates below 3.4%. Declining mortgage rates support the growth of housing loan volumes, which is reflected in improving sales figures. Although higher inflation is set to dampen real wage growth in 2025 (with an increase of just 1.10% according to the Ministry of Finance), favourable interest rate dynamics should partly offset slower income growth and led to a positive impact on residential demand.

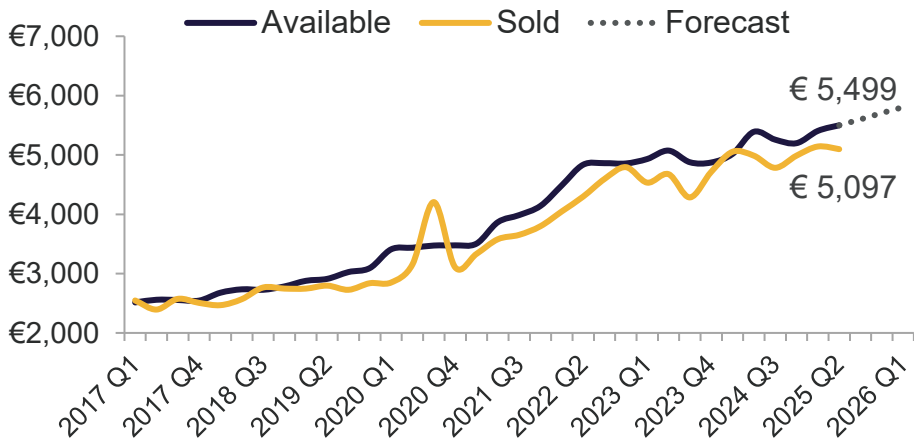
SUPPLY AND DEMAND: STRONGEST SPRING IN THE PAST 4 YEARS

After a weaker start to the year, the Bratislava new-build market saw a notable rebound, with 797 units sold in Q2. This marks the second strongest quarter in the past four years and represents an increase of almost 300 units compared to the previous quarter. The past six to nine months, several new projects have entered the market and quickly ranked among the top-selling developments. Construction activity remains concentrated mainly in the city’s peripheral areas, and demand continues to focus on smaller units, particularly 2-bedroom apartments (accounting for 51% of all sales). The average size of sold units has stabilised at 58 sq m. The combination of peripheral locations and demand for more compact apartments makes this segment more accessible for a wider group of buyers. Supply has remained relatively stable over the past year, with around 3,239 units currently on the market. The average asking price per sq m increased by 1.8% q-o-q while the price per sq m of sold units declined slightly by 0.9%. Despite stronger price growth earlier this year, partly reflecting higher VAT incorporated into unit prices, developers are offering various incentives, such as discounts, attractive financing options or fully fitted units included in the price. The gradual decline in mortgage rates is expected to further support demand. In the second half of the year, we therefore anticipate quarterly sales between 600–700 units.

NEW SUPPLY FOR NEW BUILDS / SOLD UNITS

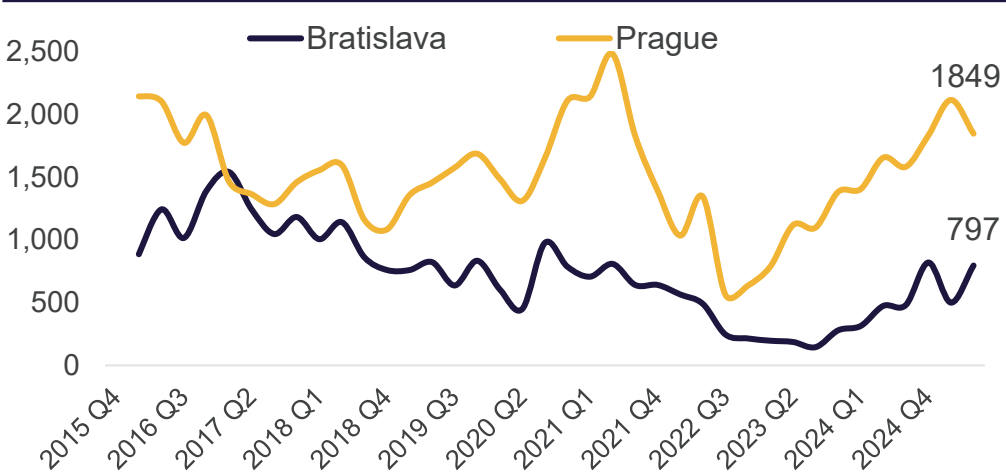


AVERAGE PRICE OF NEW BUILDS PER SQ M

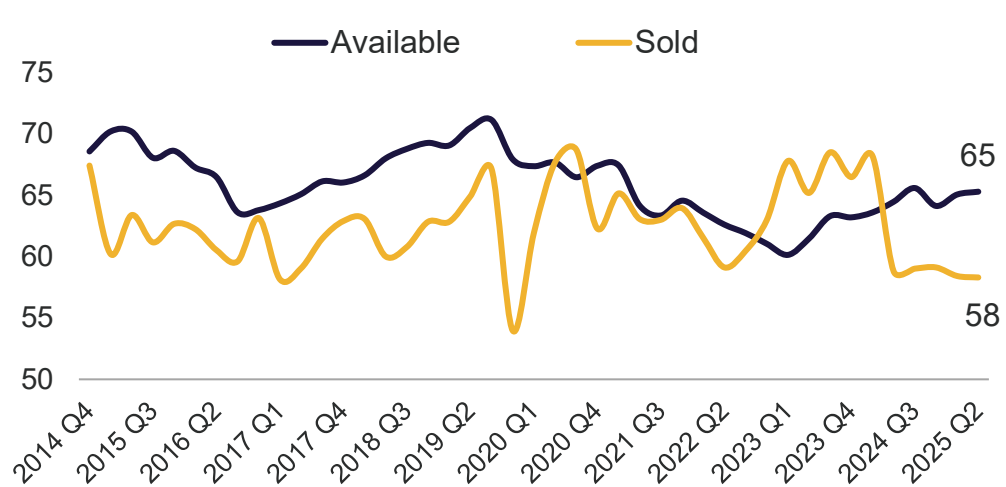


Source: BuiltMind
Price for sq m includes VAT

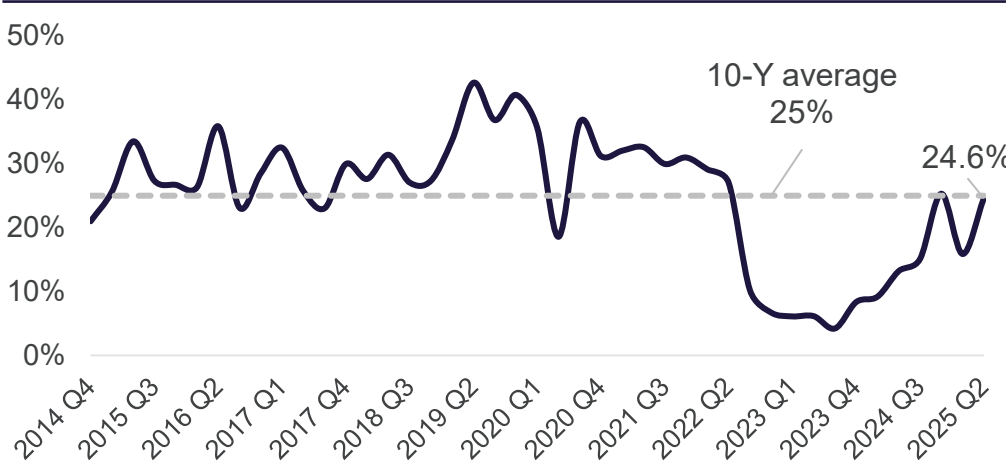
NEW BUILDS UNITS SALES: BRATISLAVA vs. PRAGUE



NEW BUILDS AVERAGE FLOOR AREA (SQ M)



NEW BUILDS ABSORPTION (SOLD / AVAILABLE)



Source: BuiltMind, Deloitte

PRAGUE vs. BRATISLAVA: DECLINE AMONG NEIGHBOURS, GROWTH IN SLOVAKIA

In Q2 2025, market dynamics in the two cities moved in opposite directions compared to Q1. While Prague confirmed stable demand, volumes declined slightly after a strong start to the year. Meanwhile, Bratislava recorded a notable rebound following a weaker first quarter.

The Prague market thus continues to show a more balanced recovery, whereas demand in Bratislava remains more volatile, although a gradual stabilisation is expected. Differences in demand trends can be attributed to factors such as:

- Demographics – faster population growth and higher immigration in Prague.
- Stronger real wage growth compared to Slovakia.
- Broader residential offering suitable for both owner-occupation and investment compared to Bratislava.
- Property prices and housing availability in Prague attract more international investors and expats.

AVERAGE AREA: GROWING DEMAND FOR SMALLER UNITS

Average unit sizes for both sold and available apartments have changed notably in recent years, with the past year showing a stabilisation at around 58 sq m for sold units and 65 sq m for units currently on the market. This has further widened the gap between demand and supply in terms of unit size. The appeal of smaller apartments is supported by factors such as:

- Developers are adjusting project portfolios more flexibly, focusing on segments with the highest liquidity, namely two-bedroom units, which now account for 44% of total supply and represent a core product in nearly every new residential scheme.
- Shifts in demographic structure and an increase in single- and two-person households are driving demand for smaller, efficiently designed units.
- Better affordability and flexible use make smaller apartments a key choice not only for owner-occupation but also as investment assets.

ABSORPTION RATE: RETURNING TO THE LONG-TERM AVERAGE

A strong Q2, during which one in four available units were sold, brought the absorption rate back in line with the long-term average of 25% (24.6% in Q2). This marks the second-highest level recorded in the past three years. With demand expected to remain around 600–700 units sold per quarter and the supply of new units likely to grow, we anticipate the absorption rate to stabilise in the range of 15–20% for the rest of the year.

For comparison, the Prague market has maintained an average absorption rate of approximately 30% over the past year.

TRENDS AND EXPECTATIONS

- In Slovakia, purchasing a 70 sqm apartment requires an average of 12.7 annual salaries, and in Bratislava, 12.9 annual salaries.
- Slovakia has long ranked at the bottom in housing affordability due to the high number of premium properties relative to average wage levels. We therefore expect demand to persist in suburban areas with more affordable price levels.
- The market is gradually evolving into a **two-speed model**. On one side, we see higher-quality projects in better locations with a clear competitive edge, where moderate price growth is expected. On the other side, more standardised developments will need to respond more proactively to growing competition, either through price adjustments or by adopting hybrid models. These hybrid projects could combine traditional unit sales with built-to-rent features such as long-term rentals, affordable or cooperative housing, or other alternative forms of tenure. Flexibility and the ability to adapt the project to market needs may prove crucial to its future success.

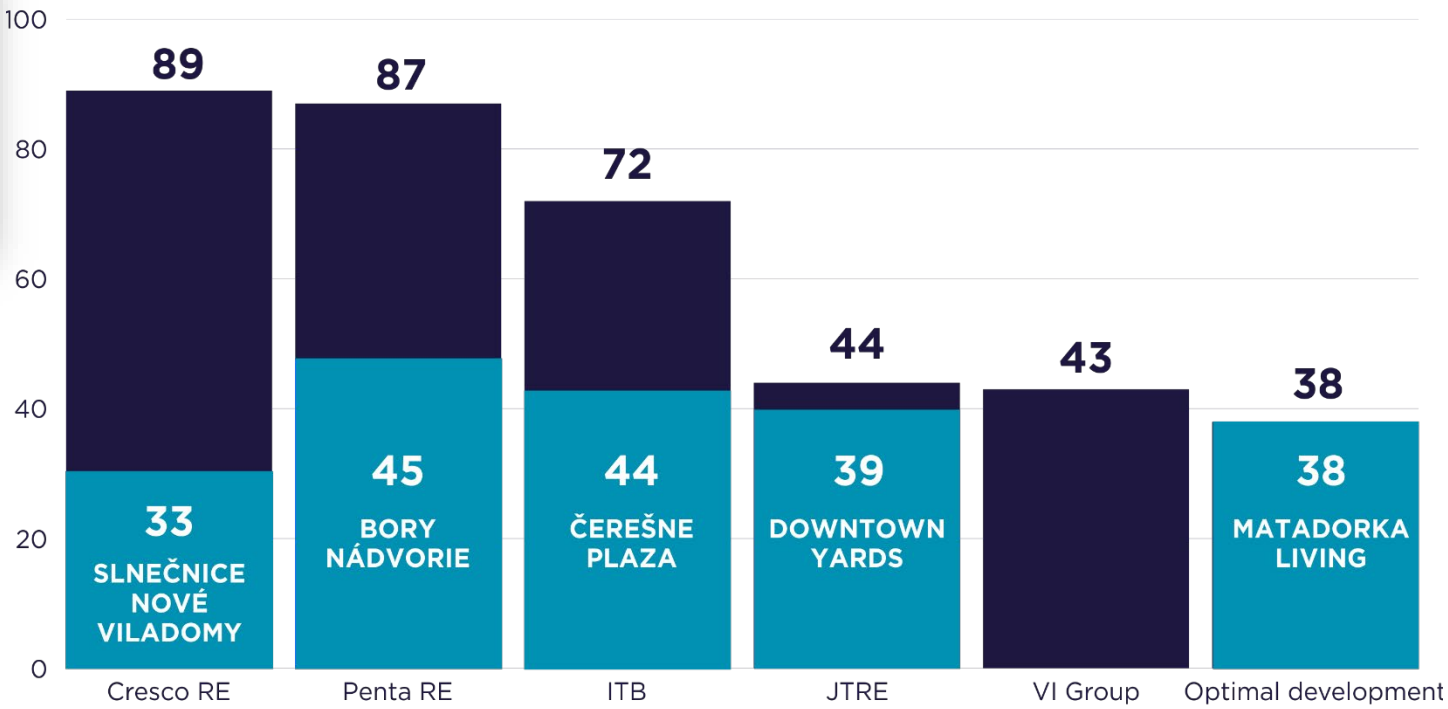
BEST-SELLING PROJECTS IN Q2 2025



In the second quarter, 797 units were sold across 89 projects. The **top six developments** accounted for **29%** of the new-build market, with the majority comprising **newly launched schemes** or additional phases introduced this year.

Recent quarterly trends confirm the dominance of projects in peripheral **locations** such as Bory, Dúbravka, and Slnčnice, while developments in the central Mlynské Nivy area, such as Downtown Yards, continue to maintain their appeal.

DEVELOPER SALES Q2 2025



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Source: BuiltMind