



RESEARCH

At a glance **Q3 2019**

Czech Republic Investment Market

Office yields have recorded yield compression

Investment volume in real estate totalled €2.4 billion in the first nine months of 2019, 80% up year on year. Q3 2019 investment volume exceeded €700 million. Offices were the most traded asset class in Q3 2019 (82% of total volume) with several benchmark transactions such as Praga Studios in Prague 8 or Drn in Prague 1. Prime yields have compressed in the office and industrial sector in the third quarter and there are still vast amounts of capital seeking opportunities to be placed hence pressure on rising capital values remains underpinned by rental growth. We may see investment volumes to approach €3 billion this year which would be the third highest annual investment volume after 2016 and 2017.

„In the remainder of the year alongside with the dominant office sector we may also see more deals in retail and industrial. Prime yields could still see some compression towards year end particularly in office and industrial, whereas we expect stabilisation during next year,“ predicts Lenka Šindelářová, Head of Research & Consultancy.

Prime yields



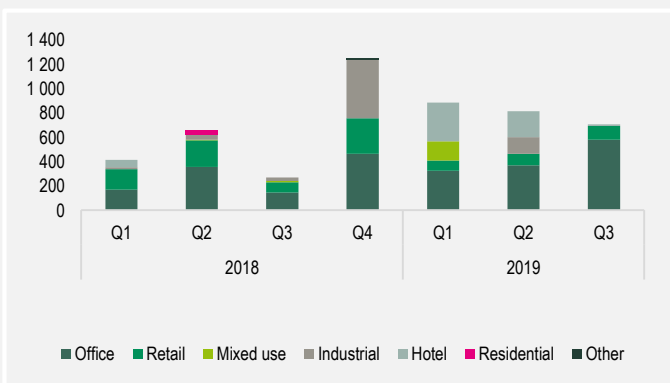
Major investment transactions

PROPERTY	INVESTOR	PRICE (€m)
The Blox	ČMN	77
POP	Immofinanz	76
City Empiria	S+B Gruppe	75
River Gardens I*	Warburg HIH	Confidential

*BNP Paribas Real Estate represented the buyer

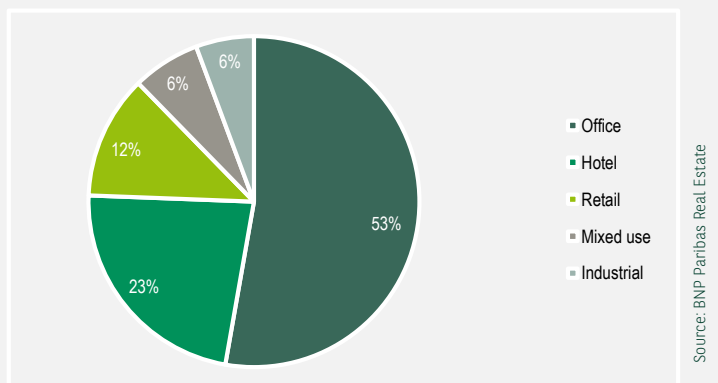
Quarterly investment volume

€ million



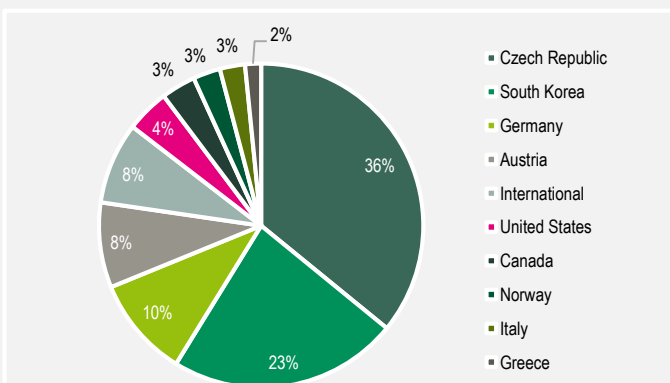
Investment volume by sector Q1-Q3 2019

€ million



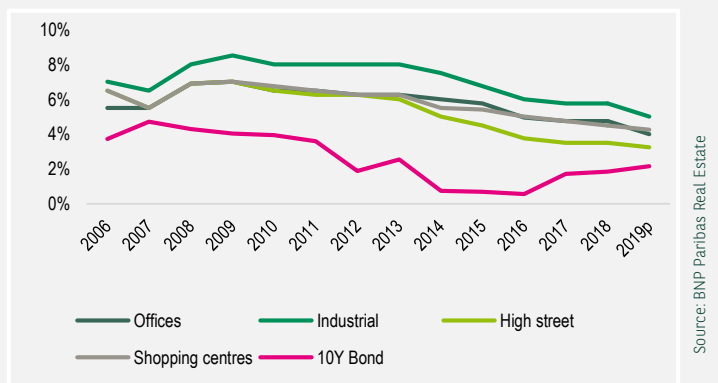
Investment volume by source of capital in Q1-Q3 2019

€ million



Development of yields

%



6 BUSINESS LINES in Europe

A 360° vision

Main Locations

EUROPE

FRANCE
Headquarters
167, Quai de la Bataille de
Stalingrad
92867 Issy-les-Moulineaux
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BELGIUM
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1040 Brussels
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MIDDLE EAST / ASIA

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Hong Kong
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Alliances

ALGERIA *
AUSTRIA
CYPRUS
ESTONIA
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IVORY COAST *
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SWITZERLAND
TUNISIA *
TURKEY
UKRAINE
USA

* Coverage via our alliance in Morocco

** Covering Transaction, Valuation & Consulting

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