



RESEARCH



**AT A GLANCE
H2 2019**

CZECH REPUBLIC RETAIL MARKET

33,800 sq m of modern retail space were delivered to the market

- **In Q4 2019 two shopping centers and one retail park were completed**
- **E-commerce sales grew by 15% y/y in 2019, share of retail sales stood at nearly 13%**

NEW SUPPLY

In Q3 2019, no shopping centres were completed. In Q4 2019, 33,800 sq m of modern retail space was completed in 3 projects. The largest of them was Centrum Stromovka in Prague 7 with 90 retail units and a total area of 15,700 sq m, followed by retail park NC Shopping Znojmo with 21 retail units and a total area of 11,600 sq m, both were opened in November 2019. At the end of October the Smetanova obchodní galerie in Vsetín opened with 33 retail units and total area of 6,500 sq m.

November 2019, saw the completed reconstruction of the shopping centre OC Čtyři Dvory in České Budějovice. The shopping centre has approximately 33 retail units with total retail area of 9,500 sq m, with an additional outdoor space of 1,500 sq m. of the new tenants have already opened their units, others are still preparing their

premises and will open by March 2020, when the final acceptance and the reopening of the shopping centre will take place.

2020 will see the expected opening of the Bořislavka shopping centre in Prague 6 with a total retail area of 9,000 sq m. In addition to this the new OC Spektrum Průhonice shopping centre (6,600 sq m) and The Flow Building (5,700 sq m) situated in Prague 1 will open. Also Retail Park Kolín Ovcáry (12,000 sq m), Retail Park České Budějovice Okružní (9,000 sq m) and Retail Park Choceň (5,010 sq m) are expected to open. Avion Shopping Park Brno will be refurbished and, as part of the third phase of expansion, its total will increase by 14,000 sq m. Opening of some shopping centers may be postponed due to a coronavirus pandemic.

KEY FIGURES



3.6 m sq m
TOTAL RETAIL STOCK



50,400 sq m
NEW SUPPLY 2019



80,800 sq m
RETAIL SPACE UNDER
CONSTRUCTION

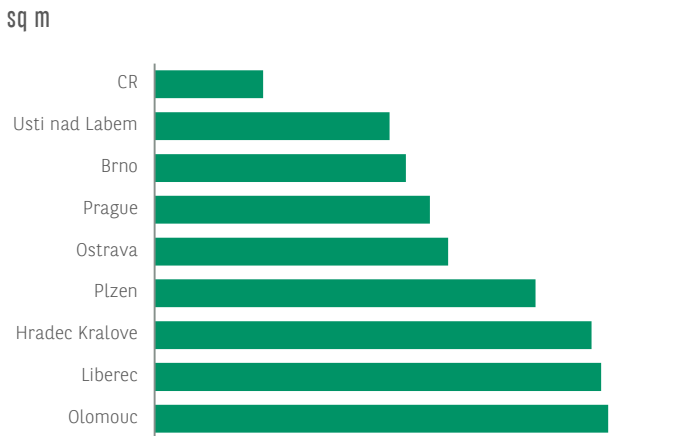


4.8%
RETAIL SALES GROWTH
Y-O-Y IN DECEMBER

RETAILERS

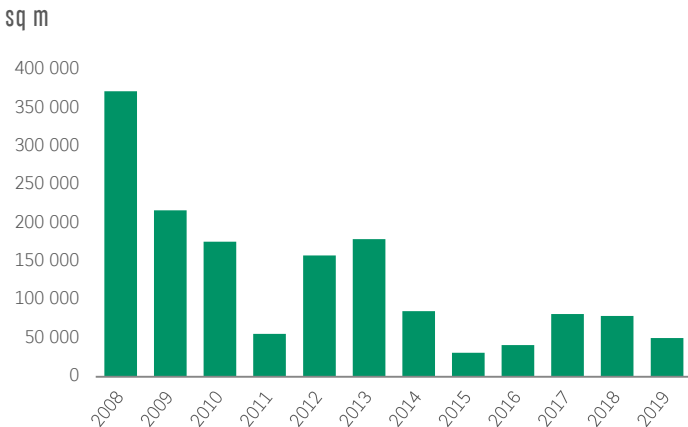
- The value of Czech e-commerce was again record-breaking in 2019, with sales increase by 15% y/y. The share of e-commerce in retail continues to grow and in 2019 it accounted for nearly 13% of domestic retail (source: APEK and shopping advisor Heureka.cz).
- At the end of October, the German fashion brand Comma (a subsidiary of S.Oliver) opened its first physical store on the Czech market, at the Freeport Fashion Outlet Center in Hatě.
- At the end of November 2019, LVMH (Louis Vuitton Moët Hennessy) announced that it would take over US jewelry manufacturer Tiffany. Tiffany operates over 300 stores worldwide, including the Prague branch in Pařížská Street.
- The American brand Domino's Pizza entered the Czech market through Daufood CZ. In November it opened its first premises in Brno.
- 22 new brands entered to the Czech market in 2019. Most of the new brands belong, as in previous years, to the fashion sector.

SHOPPING CENTRE STOCK PER 1,000 INHABITANTS



Source: BNP Paribas Real Estate

ANNUAL SUPPLY

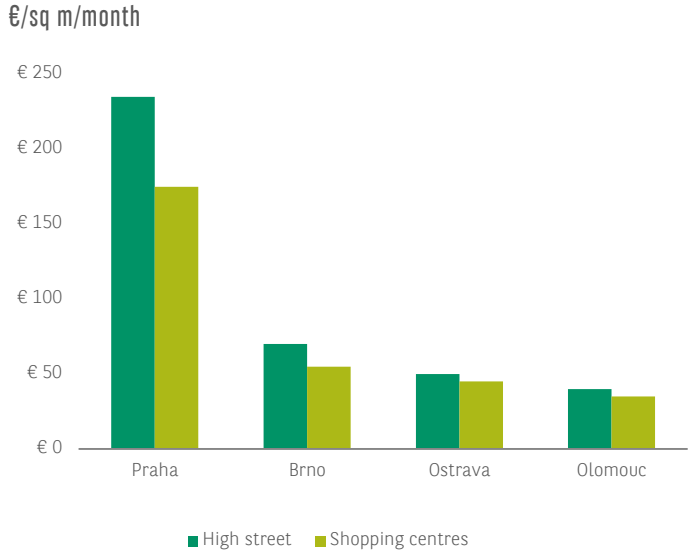


Source: BNP Paribas Real Estate

RENTS

- Prime high street rents increased to €210-235 per sq m per month in top locations.
- Prime shopping centre rents for benchmark 100 sq m units increased to €140-175 per sq m per month in Prague.

PRIME HEADLINE RENTS



Source: BNP Paribas Real Estate

INVESTMENT

- Prime yields have remained stable in the course of the year, both for high street locations and shopping centre assets.

MAJOR RETAIL INVESTMENT TRANSACTIONS

PROPERTY	INVESTOR	SIZE (sq m)
Galerie Butovice	Investika	51,500
Makro C&C, Prague	FLE GmbH (LFPI)	NA
Olympia Olomouc	CATALYST CAPITAL	30,900

Prime Yields & Outlook, %



3.25 – 3.50%



HIGH STREET



4.25 – 4.50%



SHOPPING CENTRES

DEFINITIONS

Stock: Total completed stock of modern shopping centres and retail parks above 5,000 sq m, delivered or refurbished since 1992.

New supply: Completed newly built or refurbished shopping centres and retail parks that obtained a use permit in the given period and were opened to the public.

Prime headline rent: Achieved rents in prime shopping centres and high street in units of 50-100 sq m for fashion tenants, achieved rents in retail parks in units of 500-1,000 sq m.

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6 BUSINESS LINES in Europe

A 360° vision

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* Coverage via our alliance in Morocco

** Covering Transaction, Valuation & Consulting

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