



RESEARCH

AT A GLANCE Q1 2020

CZECH REPUBLIC INVESTMENT MARKET

€ 1.6 BILLION TRANSACTED IN REAL ESTATE IN Q1 2020

- Strong demand from both domestic and international investors
- 3 large transactions dominated the Q1 figures
- Yields remained stable in Q1 (pre-Covid)

INVESTMENT

The total volume of real estate investments exceeded €1.6 billion in Q1 2020, 78% up year on year. However the majority of the take up was attributable to a single residential portfolio (77%) followed by retail properties (10%) and hotel real estate (8%).

The largest transaction in Q1 2020 was the acquisition of Residomo's housing portfolio, where the US investment funds Blackstone and Roudnhill Capital sold 43,000 flats, mainly situated in the Moravian-Silesian Region to the Swedish fund Heimstaden Bostad for €1.3 billion. This was followed by the sale of the Kotva department store, which was bought by Generali Real Estate from PSN. The value of the transaction exceeded €150 million.

The Swedish fund Heimstaden Bostad was the most active player in the market (77%), followed by Italian capital (9%). Prime yields remained unchanged from the previous quarter.

In view of the restrictive measures in place in connection with the spread of the Covid-19 pandemic, investment volumes can be expected to slow in the coming quarters of this year, with many transactions being postponed or suspended altogether. The impact of the crisis on the total volume of investment this year is very difficult to estimate today, depending on the length of the restrictive measures, the length of the pandemic and the speed with which investors return to the market.

PRIME YIELDS



4.0%

OFFICE



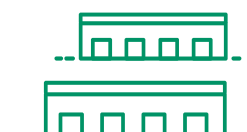
3.25%

HIGH STREET



4.25%

SHOPPING CENTRES



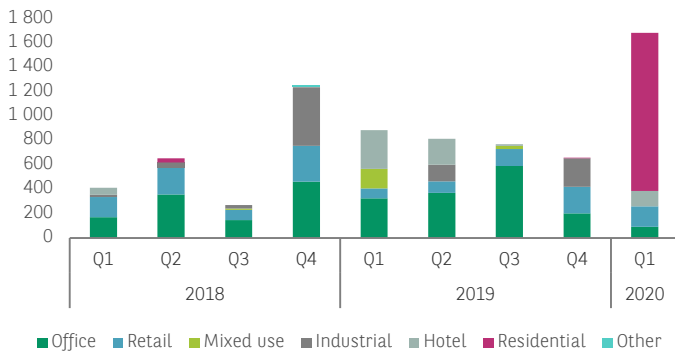
5.0%

LOGISTICS



QUARTERLY INVESTMENT VOLUME

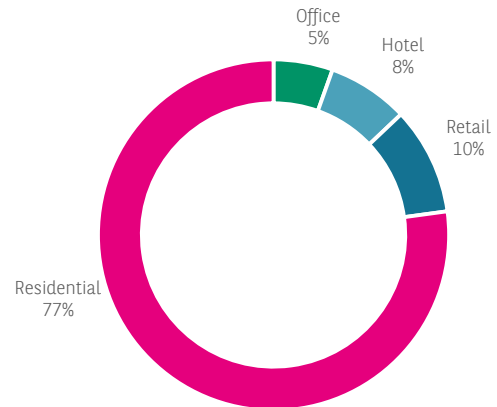
€ million



Source: BNP Paribas Real Estate

INVESTMENT VOLUME BY SECTOR Q1 2020

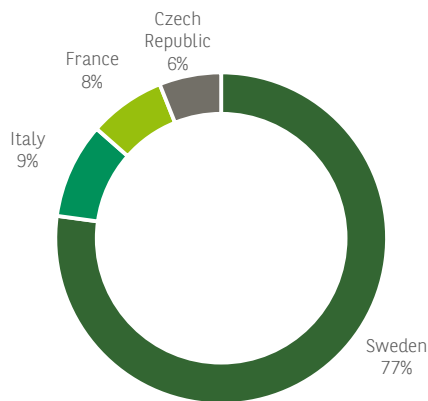
%



Source: BNP Paribas Real Estate

INVESTMENT VOLUME BY SOURCE OF CAPITAL IN Q1 2020

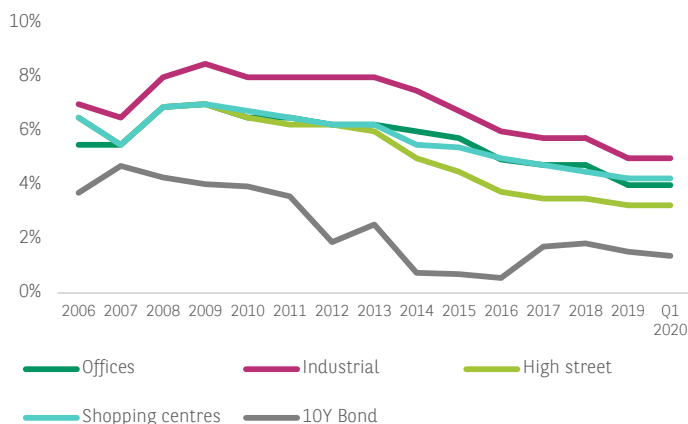
%



Source: BNP Paribas Real Estate

DEVELOPMENT OF YIELDS

%



Source: BNP Paribas Real Estate

MAJOR INVESTMENT TRANSACTIONS IN Q1 2020

PROPERTY	INVESTOR	PRICE (€m)
Residomo	Heimstaden Bostad	1,300
Kotva	Generali Real Estate	157
Hotel Carlo IV	Covivio	126

ECONOMIC OVERVIEW

- In the economic forecast at the beginning of this year, the Ministry of Finance expected the Czech economy to slow to 2.0%. The global economy is hit hard this year by the growing pandemic of a new type of coronavirus SARS-CoV-2. The measures taken and their side effects will almost certainly trigger a global economic recession.
- The Czech government is trying to mitigate the economic effects of the pandemic by introducing support for entrepreneurs and employees. In total, the government has decided to set aside CZK 120 billion for direct support of the economy as a result of the pandemic and another CZK 900 billion for indirect support.
- March unemployment statistics have not yet recorded the effects of the crisis, the unemployment rate ended at 3%. However, unemployment is expected to rise in the coming months.
- Year-on-year inflation slowed to 3.4% in March. According to data from the Czech Statistical Office, the decline in fuel prices in response to developments in the oil market in particular contributed to the moderation of inflation.
- The Czech National Bank is also taking stabilization measures to mitigate the effects of the coronavirus epidemic on Czech companies, entrepreneurs and households. At the end of March, it lowered the key interest rate by 0.75 percentage point to 1.0%. The Bank Board is ready to further reduce interest rates if economic developments so require.

6 BUSINESS LINES in Europe

A 360° vision

Main Locations

EUROPE

FRANCE

Headquarters
167, Quai de la Bataille
de Stalingrad
92867 Issy-les-Moulineaux
Tel.: +33 1 55 65 20 04

BELGIUM

Avenue Louise 235
1000 Brussels
Tel.: +32 2 290 59 59

CZECH REPUBLIC

Ovocny trh 8
110 00 Prague 1
Tel.: +420 224 835 000

GERMANY

Goetheplatz 4
60311 Frankfurt
Tel.: +49 69 2 98 99 0

HUNGARY

117-199 Váci ut.
A Building
1123 Budapest
Tel.: +36 1 688 4400

IRELAND

20 Mernon Road,
Ballsbridge, Dublin 4
Tel.: +353 1 66 11 233

ITALY

Piazza Lina Bo Bardi, 3
20124 Milan
Tel.: +39 02 58 33 141

LUXEMBOURG

Kronos Building - 10, rue Edward
Steichen
L - 2540 LUXEMBOURG

NETHERLANDS

Antonio Vivaldistraat 54
1083 HP Amsterdam
Tel.: +31 20 305 97 20

POLAND

Al. Jana Pawla II 25
Atrium Tower
00-854 Warsaw
Tel.: +48 22 653 44 00

PORTUGAL

Avenida da República, 90
Piso 1, Fracção 1
1600-206 Lisboa
Tel.: +351 939 911 125

ROMANIA

4-8 Nicolae Titulescu Blvd
America House
Bucharest 011141
Tel.: +40 21 312 7000

SPAIN

C/ Emilio Vargas, 4
28043 Madrid
Tel.: +34 91 454 96 00

UNITED KINGDOM

5 Aldermanbury Square
London EC2V 7BP
Tel.: +44 20 7338 4000

MIDDLE EAST / ASIA

DUBAI

Emaar Square
Building n° 1, 7th Floor
P.O. Box 7233, Dubai
Tel.: +971 44 248 277

HONG KONG

634/F, Two International Finance
Centre,
8 Finance Street, Central,
Hong Kong
Tel.: +852 2909 8888

SINGAPORE

Pte Ltd 20 Collyer Quay, #17-04
Singapore 049319
Tel.: +65 8189 2762

Alliances*

AUSTRIA

CYPRUS

DENMARK

ESTONIA

FINLAND

GREECE

HUNGARY **

JERSEY

LATVIA

LITHUANIA

NORTHERN IRELAND

NORWAY

PORTUGAL**

SERBIA

SWEDEN

SWITZERLAND

USA

Contacts

International Investment Group

Larry Young
Tel.: +33(0)1 47 59 20 11
larry.young@bnpparibas.com

International Advisory & Alliances

Ayméric Le Roux
Tel.: +33(0)1 47 59 20 32
aymeric.leroux@bnpparibas.com

International Research

Vincent Voute
Tel.: +33(0)1 47 59 17 45
vincent.voute@bnpparibas.com



KEEP UP-TO-DATE WITH
BNP PARIBAS REAL ESTATE'S NEWS,
WHEREVER YOU ARE



www.realestate.bnpparibas.com
#BEYONDBUILDINGS



BNP Paribas Real Estate: Simplified joint stock company with capital of €383.071.696 - 692 012
180 RCS Nanterre - Code NAF 7010 Z - CE identification number FR 666 920 121 80

Headquarters: 167, Quai de la Bataille de Stalingrad - 92867 Issy Les Moulineaux Cedex

PROPERTY DEVELOPMENT | TRANSACTION | INVESTMENT MANAGEMENT | PROPERTY MANAGEMENT | VALUATION | CONSULTING



BNP PARIBAS
REAL ESTATE

Real Estate
for a changing
world