



RESEARCH

AT A GLANCE Q4 2019

PRAGUE OFFICES

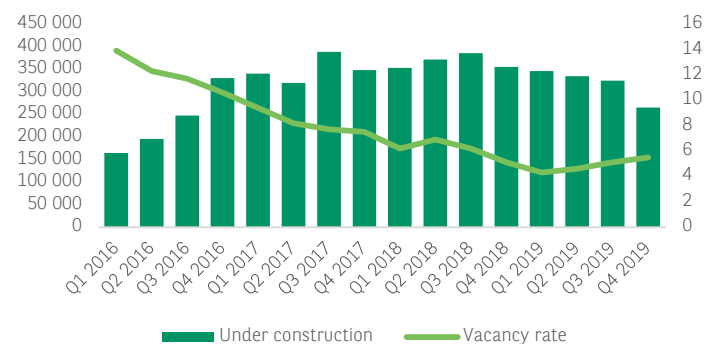
NEW SUPPLY IN A RECORD IN Q4 2019 SINCE 2008

- New annual supply in 2019 was the second highest since 2008
- In Q4 2019, the vacancy rate increased to 5.5%

SUPPLY & VACANCY

In 2019, **204,700 sq m** of new office space was added to the market, that is the second highest volume after 2008. **Five new buildings** were completed in Q4 2019: **Harfa Office Center** (32,000 sq m) in Prague 9, **Telehouse** (18,400 sq m) in Prague 6, **SmichOFF** (9,600 sq m) and **Green Point** (7,500 sq m) both in Prague 5 and **Centrum Stromovka** (5,800 sq m) in Prague 7. Centrum Vinice (19,300 sq m) in Prague 10 was opened after refurbishment. New construction was launched on one building Astrid Offices (3,420 sq m) in Prague 7. The refurbishment has started on the building Na Prikope 33 (7,500 sq m) in Prague 1. According to PRF **vacancy rate** increased to 5.5%. The highest vacancy rate was recorded in Prague 5 (7.7%) and Prague 4 (4.8%), lowest vacancy rates were seen in Prague 2 (2.0%) and Prague 9 (2.6%).

SUPPLY UNDER CONSTRUCTION, VACANCY RATE
sq m, %



Source: BNP Paribas Real Estate, PRF

KEY FIGURES



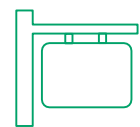
3,7 m sq m
TOTAL STOCK



204,700 sq m
NEW SUPPLY 2019



265,000 sq m
UNDER CONSTRUCTION
& REFRUBISHMENT

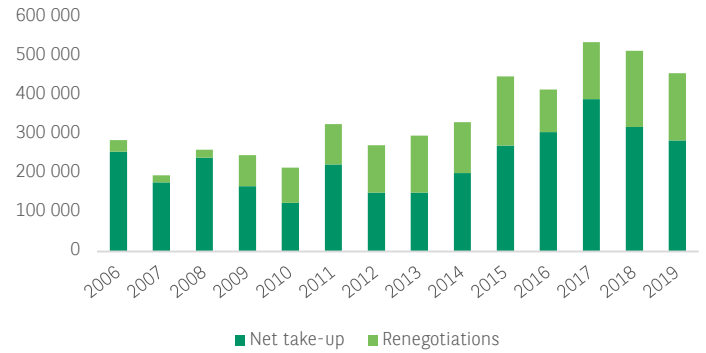


5.5%
VACANCY
RATE

DEMAND & MAJOR LEASES

- Renegotiation of PricewaterhouseCoopers (13,400 sq m) in **City Green Court** in Prague 4
- Pre-completion lease of Fortuna (8,400 sq m) in **Churchill II** in Prague 2
- Renegotiation of Nestlé (7,100 sq m) in **Nestlé HQ** in Prague 4
- Pre-completion lease of Adastra (7,000 sq m) in **Mississippi House** in Prague 8

ANNUAL TAKE-UP
sq m



Source: BNP Paribas Real Estate, PRF

TAKE-UP

	Q4 2019	2019
Gross:	147,400 sq m	440,000 sq m
Net:	85,500 sq m	280,000 sq m

Q4 2019 of gross take-up



26%
Professional services

33%
Prague 4



14%
Consumer goods

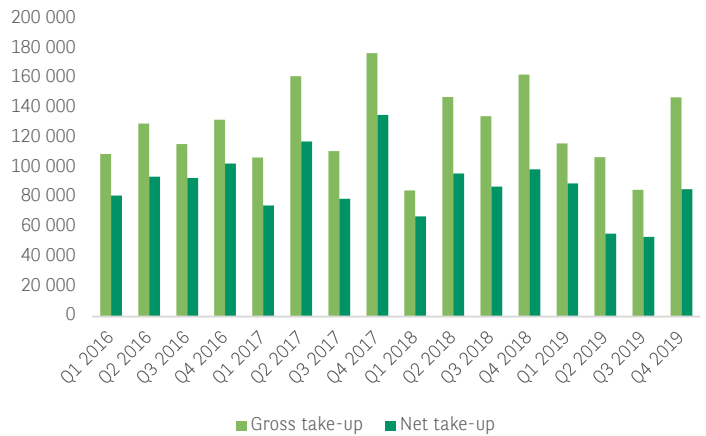
20%
Prague 8



13%
IT

13%
Prague 5

QUARTERLY TAKE-UP
sq m



Source: BNP Paribas Real Estate, PRF

PRIME HEADLINE RENTS

→	↗	→
€22.50 - 23.00	€15.50 - 17.00	€13.50 - 15.00
City Centre	Inner City	Outer City

AVERAGE RENTS IN A-CLASS OFFICES

	€17.50	€14.60	€13.90	€14.70
	Prague 1	Prague 4	Prague 5	Prague 8

INVESTMENT

1,490 million EUR
Invested in offices 2019



4.00%

48%
Share
on investment
volume

SUMMARY & OUTLOOK

- Prague saw **204,700 sq m** of **new office space** completed in **2019**. More than 45% of the total volume was delivered in the fourth quarter (92,500 sq m).
- At the end of 2019 we recorded a moderate increase of **vacant space** by 0.4% compared to the previous quarter, rising to 5.5% (source: PRF).
- In **2020** we expect the completion of **135,000 sq m** of office space. Due to high demand and insufficient supply of offices we do not expect increase of vacancy in 2020.
- In Q4 2019 we saw a light growth of **prime headline rent** in the Inner City. In 2020 we expect rent to increase slightly, especially in the city centre.
- In 2019 **gross take-up** fell by 14% compared to previous year. A key limitation to expansion is a lack of quality available office space.

DEFINITIONS

Stock: Total completed office space (occupied and vacant), newly built since 1992 or refurbished, A and B class offices, owner occupied and for lease. Buildings with less than 1,000 sq m are excluded.

New supply: Completed newly built or refurbished buildings that obtained a use permit in the given period.

Classification of office buildings: Key criteria used to assess the classification of buildings include date of completion, raised floors, suspended ceilings, HVAC, flexible layout, architectural quality, internal height of working areas, size and quality of the reception area, parking ration, green certification and energy efficiency.

Take-up: A gross figure representing the total floor space known to have been let or pre-let, sold or pre-sold to tenants or owner-occupiers over a specified period of time. It does not include space that is under offer. A property is taken up when the future lease contract is signed. Total gross take-up includes renegotiations and lease extensions, net take-up excludes these.

Vacancy rate: The amount of unoccupied space expressed as a percentage of total rentable space in a property during the year.

Prime headline rents: Achieved rents that relate to new prime, high specification units in prime locations.

About BNP Paribas Real Estate

BNP Paribas Real Estate, one of the leading international real estate providers, offers its clients a comprehensive range of services that span the entire real estate lifecycle: property development, transaction, consulting, valuation, property management and investment management.

BNP Paribas Real Estate has local expertise on a global scale through its presence in 37 countries with approximately 180 offices and 3,800 employees. BNP Paribas Real Estate is a subsidiary of BNP Paribas.

For more information: www.realestate.bnpparibas.com, www.realestate.bnpparibas.cz, www.checkstates.cz

AUTHOR AND RESEARCH CONTACT

Kamila Breen, Head of Research & Consultancy, kamila.breen@realestate.bnpparibas

Pavla Kubíková, Senior Consultant, pavla.kubikova@realestate.bnpparibas

CEE RESEARCH CONTACT

Patrycja Dzikowska, Head of Research & Consultancy, Central & Eastern Europe, patrycja.dzikowska@realestate.bnpparibas

BUSINESS CONTACT

Lena Popova, Office Agency, Director Czech Republic and Slovakia, lena.popova@realestate.bnpparibas

BNP Paribas Real Estate APM CR s.r.o.

Ovocný trh 8, 110 00 Praha 1

Czech Republic

Tel: +420 224 835 000

www.realestate.bnpparibas.cz

All rights reserved. At a Glance is protected in its entirety by copyright. No part of this publication may be reproduced, translated, transmitted, or stored in a retrieval system in any form or by any means, without the prior permission in writing of BNP Paribas Real Estate.

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
Boulevard Louis Schmidtlaan 2
B3
1040 Brussels
Tel.: +32 2 290 59 59

CZECH REPUBLIC
Ovocný trh 8
110 00 Prague 1
Tel.: +420 224 835 000

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

HUNGARY
Váci út 117-119. A/1
H-1138 Budapest,
Tel.: +36 1 487 5501

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

ITALY
Via Carlo Bo, 11
20143 Milan
Tel.: +39 02 58 33 141

JERSEY
3 Floor, Dialogue House
2 - 6 Anley Street
St Helier, Jersey JE4 8RD
Tel.: +44 (0)1 534 629 001

LUXEMBOURG
Axento Building
Avenue J.F. Kennedy 44
1855 Luxembourg
Tel.: +352 34 94 84
Investment Management
Tel.: +352 26 26 06 06

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

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

ROMANIA
Banul Antonache
Street n°40-44
Bucharest 011665
Tel.: +40 21 312 7000

SPAIN
C/ Génova 17
28004 Madrid
Tel.: +34 91 454 96 00

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

MIDDLE EAST / ASIA

ABOU DHABI
Hazza'a Bin Zayed Street
Area 19/02 plot n°186
P.O. Box 2742 Abu Dhabi
Tél. : +971 44 248 277

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

HONG KONG
25 /F Three Exchange Square,
8 Connaught Place, Central,
Hong Kong
Tel.: +852 2909 2806

Alliances

ALGERIA *
AUSTRIA
CYPRUS
ESTONIA
FINLAND
GREECE
HUNGARY **
IVORY COAST *
LATVIA
LITHUANIA
MOROCCO
NORTHERN IRELAND
NORWAY
RUSSIA

SERBIA
SWEDEN
SWITZERLAND
TUNISIA *
TURKEY
UKRAINE
USA

* Coverage via our alliance in Morocco

** Covering Transaction,
Valuation & Consulting

Contacts

Alliances
Florence Hesse
Tel.: +33 (0)1 47 59 17 38
florence.hesse@bnpparibas.com

Research
Céline Cotasson-Fauvet
Tel.: +33 (0)1 47 59 17 45
celine.cotasson-fauvet@bnpparibas.com



www.realestate.bnpparibas.com



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



**BNP PARIBAS
REAL ESTATE**

Real Estate
for a changing
world