



**AT A GLANCE  
Q3 2020**

**INVESTMENT MARKET CZECH REPUBLIC**

DECLINE IN INVESTMENT ACTIVITY CONTINUED IN Q3 2020

- **€2.1 billion invested in real estate since the beginning of 2020**
- **The Covid-19 pandemic affected the volume of transactions in Q3 2020**
- **Investment activity is expected to recover in the last quarter**

**INVESTMENT**

In the third quarter of 2020, **investment transactions** totalled **more than €280 million**. In the first three quarters of 2020, the volume of investment transactions exceeded **€2.1 billion**. Year-on-year, however, the volume of investment **fell by 63%** in Q3 2020. Low investment activity in this quarter is a reflection of the ongoing Covid-19 pandemic, with many planned acquisitions delayed or completely postponed.

The most traded assets in Q3 2020 were **industrial** with a 41% share in the total volume, followed by **retail** (30%).

Czech capital dominated both in the number and volume of transactions, focusing mainly on investments in retail. In addition to Czech investors, there were also active investors from Singapore (36%), who were behind the largest transaction of this quarter.

A Singaporean investor and developer, GLP, has purchased a logistics portfolio of Goodman Group in Central and Eastern Europe. In the Czech Republic, the acquisition concerned logistics parks in Jažlovice and Mladá Boleslav. The transaction for both warehouses exceeded one hundred million euros.

**Prime yields** remained stable in all sectors.

In the last months of this year, we expect an **increase** in investment **activities**. Several transactions in the area of industrial, office buildings and retail space are under negotiation. The unfavourable development of the Covid-19 pandemic and the associated restrictive measures may adversely affect the overall volume of investment transactions that could be concluded by the end of 2020.

**PRIME YIELDS**



**4.5%**



OFFICE



**4.25%**



HIGH STREET



**5.25%**



SHOPPING CENTRES

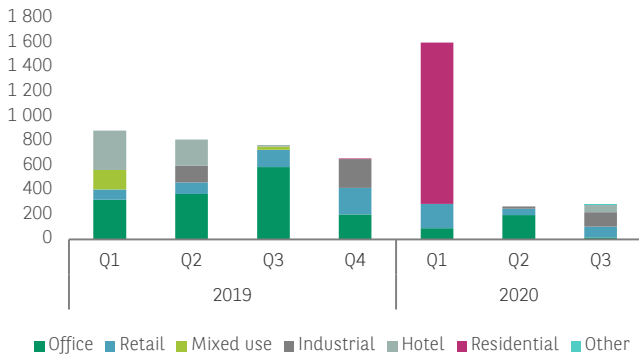


**5.0%**



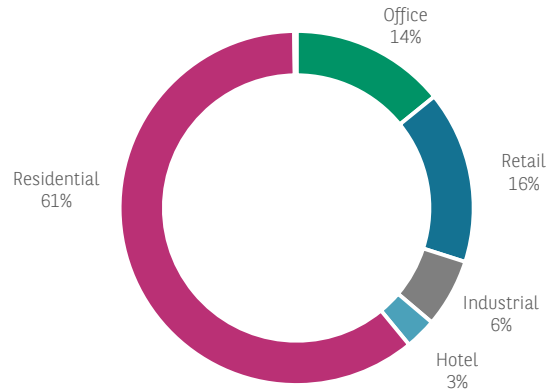
LOGISTICS

QUARTERLY INVESTMENT VOLUME  
(€ million)



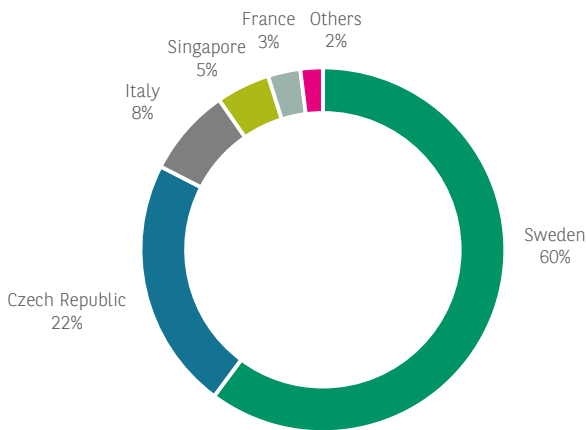
Source: BNP Paribas Real Estate

INVESTMENT VOLUME BY SECTOR IN Q1-Q3 2020  
(%)



Source: BNP Paribas Real Estate

INVESTMENT VOLUME BY SOURCE OF CAPITAL IN Q1-Q3 2020  
(%)



Source: BNP Paribas Real Estate

MAJOR INVESTMENT TRANSACTIONS IN Q3 2020

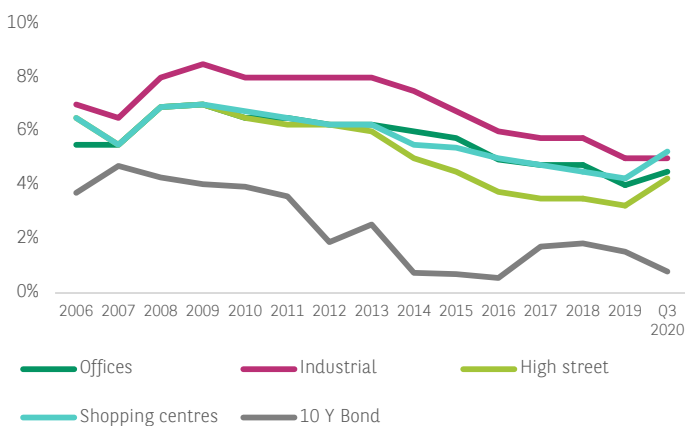
PROPERTY	INVESTOR	PRICE (€m)
Goodman Portfolio	GLP	103
Central Kladno I*	Portiva	confidential
Hotel Carlo IV	Covivio	62

\*BNP Paribas Real Estate represented the buyer

ECONOMIC OVERVIEW

- The Czech Statistical Office has published a **revised estimate** of GDP for Q2 2020. The Czech **economy contracted by 10.9%** year-on-year and by 8.7% quarter-on-quarter. The economic results are 0.2 percentage points worse than the July estimate. The economic downturn was affected by the coronavirus pandemic and its restrictive measures. The largest share of the decline of the Czech economy was foreign demand, household spending and a decline in investment activity.
- In Q3 2020, **unemployment stagnated** at 3.8%, rising by 0.1 percentage point quarter on quarter. Thanks to the Antivirus program, it manages to keep the unemployment rate low. In the fourth quarter, analysts expect a rise in the unemployment rate, of up to five percent. According to the latest available Eurostat data, the Czech Republic remains the lowest unemployment in the EU.
- In September, **consumer prices** rose by 3.2% y-o-y. According to the Czech Statistical Office, the rise in consumer prices was caused by an increase in the prices of tobacco products and alcoholic beverages.
- The **Koruna's** exchange rate against the euro has **weakened** in recent weeks. The exchange rate reflects the worsened epidemiological situation in the Czech Republic and concerns regarding the introduction of further restrictive measures. Uncertainty associated with the further development of the pandemic may continue to cause the Koruna to weaken.

DEVELOPMENT OF YIELDS  
(%)



Source: 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

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1000 Brussels  
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##### CZECH REPUBLIC

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Tel.: +420 224 835 000

##### GERMANY

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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 Merrion 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  
Tel.: +352 34 94 84

##### NETHERLANDS

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Tel.: +31 20 305 97 20

##### POLAND

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##### PORTUGAL

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##### ROMANIA

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##### SPAIN

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##### UNITED KINGDOM

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#### MIDDLE EAST / ASIA

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##### SINGAPORE

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Tel.: +65 8189 2762

### Alliances\*

##### AUSTRIA

##### CYPRUS

##### DENMARK

##### ESTONIA

##### FINLAND

##### GREECE

##### HUNGARY \*\*

##### JERSEY

##### LATVIA

##### LITHUANIA

##### NORTHERN IRELAND

##### NORWAY

##### PORTUGAL \*\*

##### SERBIA

##### SWEDEN

##### SWITZERLAND

##### USA

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