



RESEARCH

AT A GLANCE
Q3 2021

CZECH REAL ESTATE INVESTMENT MARKET

THE TOTAL INVESTMENT VOLUME THIS YEAR COULD REACH 2 BLN. EUR

- Industrial properties were the most traded assets in Q3 2021
- Domestic investors accounted for almost half of the investment volume

INVESTMENT

In Q3 2021, the total volume of real estate **investment transactions** exceeded **€380 million**, which was 32% more than in the same period last year and 21% less than in the previous quarter. The total volume of investments in the first three quarters reached almost €1.2 billion. We expect that the volume of investments could attack the level of **€2 billion** by the end of 2021.

While the first two quarters of this year were driven by investments in **office buildings** (46%), in the third quarter the office sector accounted for 15 percent of total investments only. In Q3 2021, investments in **industrial sector** dominated (53%), followed by investments in **retail** (19%).

The most significant transaction in Q3 2021 was the sale of the **Apex portfolio** by **P3**, consisting of 16 logistics buildings, four of them are located in the Czech Republic. The new owner

is a Chinese investor, CGL Investment. The growing popularity of investments in industrial real estate is evidenced by another significant acquisition of a part of the **Logistics Park Nošovice** by the American investment fund Exeter Property Group. The price of both transactions is confidential.

Since the beginning of the year, **domestic investors** have accounted for almost half of the volume of total investment transactions.

The **prime yield** compressed to 4.50% for industrial assets, whereas for high streets increased to 4.75%. Other segments remained stable.

Investments in **residential** rental housing are gaining in popularity in the Czech Republic. In addition to smaller residential transactions, two forward purchases of residential projects worth more than €50 million took place in this quarter. These two transactions are not included in the total volume of investments.

PRIME YIELDS



4.25%

OFFICE



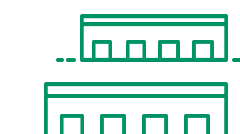
4.75%

HIGH STREET



5.50%

SHOPPING CENTRES

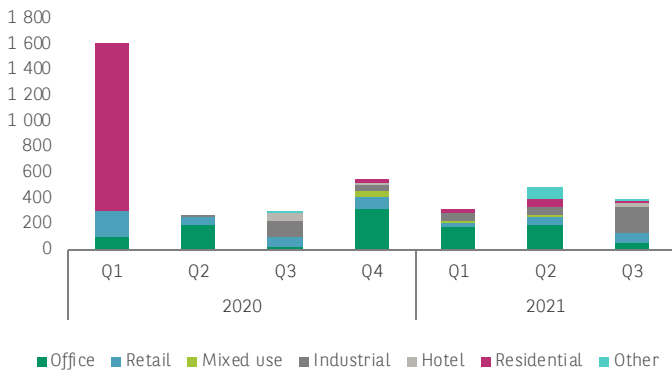


4.50%

LOGISTICS

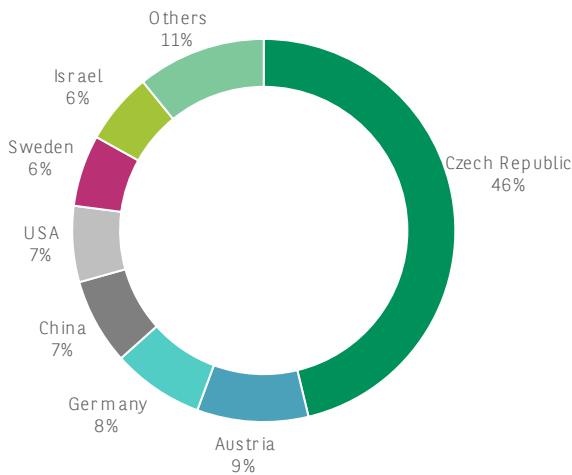


QUARTERLY INVESTMENT VOLUME (€ million)



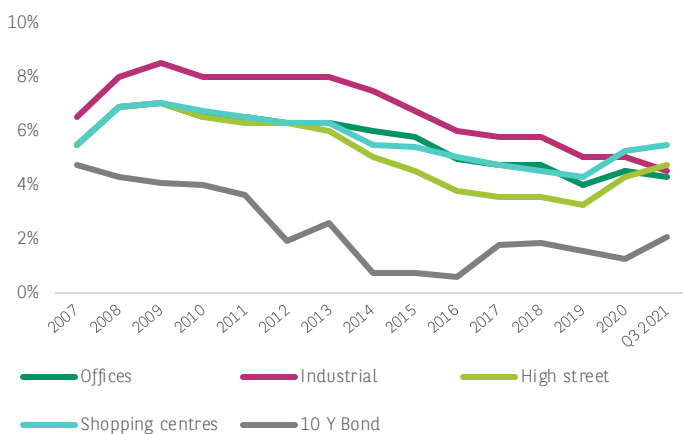
Source: BNP Paribas Real Estate

INVESTMENT VOLUME BY SOURCE OF CAPITAL IN Q1-Q3 2021 (%)



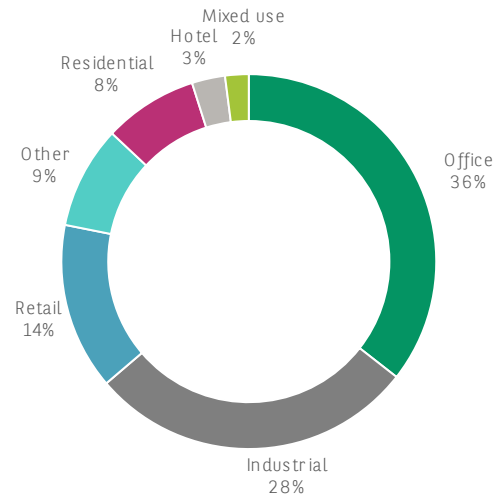
Source: BNP Paribas Real Estate

DEVELOPMENT OF YIELDS (%)



Source: BNP Paribas Real Estate

INVESTMENT VOLUME BY SECTOR IN Q1-Q3 2021 (%)



Source: BNP Paribas Real Estate

MAJOR INVESTMENT TRANSACTIONS IN Q3 2021

PROPERTY	INVESTOR	PRICE (€m)
Portfolio APEX (P3)	CGL Investment	Confidential
Logistics Park Nošovice	Exeter Property Group	Confidential
Retail Park Haná	Trigea	Confidential

ECONOMIC OVERVIEW

- In Q2 2021, the Czech **economy** recorded y-o-y growth of **8.1%** and grew by 1% q-o-q. Except that anti-epidemic measures were eased in early summer, the key drivers of economic growth were household spending and investment activity. According to the latest estimate of the Ministry of Finance the economy will grow by 3.2% in 2021.
- Unemployment** in the Czech Republic **fell** to **3.5%** at the end of September 2021, which was 0.2 percentage points less than in the previous quarter. The Czech Republic has long had the lowest unemployment rate in the entire EU.
- Year-on-year, **consumer prices** rose to 4.9% in September 2021. This is the highest increase in inflation since 2008. Price developments were mainly influenced by growth of prices in the housing and transport sector. Analysts expect inflation to rise slightly by the end of the year.
- In September 2021, the **Czech National Bank** was taking steps to combat inflationary pressures; by **raising** the **interest rates** by 75 basis points (the highest increase since 1997), the base interest rate thus rose to 1.5 percent. According to the CNB, the tightening of monetary policy will continue; by the end of the year, the base interest rate could rise further.

LOCATIONS

(SEPTEMBER 2021)

EUROPE

FRANCE

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

GERMANY

Goetheplatz 4
60311 Frankfurt am Main
Tel.: +49 69 29 89 90

UNITED KINGDOM

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

BELGIUM

Avenue Louise 235
1050 Brussels
Tel.: +32 2 290 59 59

SPAIN

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

IRELAND

57 Adelaide Road,
Dublin 2
Tel.: +353 1 66 11 233

ITALY

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

LUXEMBOURG

Kronos building
10, rue Edward-Steichen
2540 Luxembourg
Tel.: +352 34 94 84
Investment Management
Tel.: +352 26 06 06

NETHERLANDS

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

POLAND

ul. Grzybowska 78
Prime Corporate Center
00-844 Warsaw
Tel.: +48 22 653 44 00

PORTUGAL

Avenida da República, 90
Piso 1, Fracção 1
1600-206 Lisboa
Tel.: +35 1 939 911 125

CZECH REPUBLIC

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

MIDDLE EAST/ASIA

DUBAI

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

HONG KONG, SAR CHINA

63/F, Two International
Finance Center
8 Finance Street, Central,
Hong Kong, SAR China
Tel.: +852 2909 8888

SINGAPORE

20 Collyer Quay, #17-04
Singapore 049319
Tel.: +65 681 982 82

ALLIANCES

AUSTRIA | DENMARK | ESTONIA | FINLAND | GREECE | HUNGARY | JERSEY
LATVIA | LITHUANIA | NORTHERN IRELAND | NORWAY | PORTUGAL | ROMANIA | SWEDEN
SWITZERLAND | USA

* Coverage In Transaction, Valuation & Consulting

Itate net labo. Nam doluptis sinus asperit laborerit re estiosam none voluptas sitatur se niet faccumquatem consequ aerovit everion et eicit, serionsendis alignis molupta nesecea nis quam voluptatior magnihil moluptatur sequid minto optatum ea voloreptat. Siti ommolup taeratiam quaece mporiate ducia volendit aut mo conemporerum et id ut volorei uscimil ius, voluptur aut lant harum reperum vel inverro quid modiciur sitatemquam quis id estrum fugitate porepersel mos porectiur? Quibus quas sintiusa nis delendi tempostrum ide eossim simporpora doluptas a pro odi ommolot eum quia pellorr orepereheni officat arumquos quiatur? Volo et erenditatur archill oruptat esequatium voloresendem escimi solut reperov itatem. Ibus dolo conmithate con eior sim est, sector aborendi qui offictionse vollatet quias ea eicilluptati officiis aligenis