

MARKET REPORT

svoboda&williams | CHRISTIE'S
INTERNATIONAL REAL ESTATE

H2 2020



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THE YEAR 2020: PRAGUE'S REAL ESTATE MARKET IN NUMBERS

**5,800
apartments**

Number of apartments sold
by developers last year

**254
billion crowns**

Total volume
of mortgages approved

Year-on-year increase +40%

3,246

Number of new build
apartments launched

20,000

Number of apartments
necessary to satisfy demand

80%*

Increase in apartments
for rent in Prague 1

CZK 131,900*

Average achieved price per
sq. m. of new build properties
in the premium segment

Year-on-year increase **+ 11.2%**

CZK 120,100*

Average achieved price per
sq. m. of resale properties
in the premium segment

Year-on-year increase **+ 7.8%**

**CZK 29,400
/month***

Average achieved rent in the
Prague premium segment

Year-on-year change **-11.0%**

**Based on the sample monitored by Svoboda & Williams.*

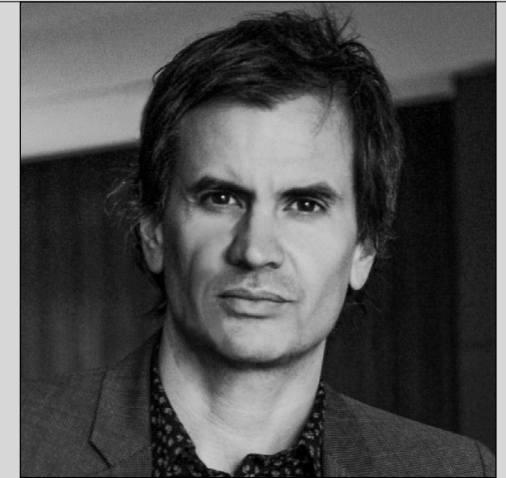
PROPERTY OWNERSHIP AS A PILLAR OF THE PENSION SYSTEM

As we welcome the year 2021, it's time to look back and take stock of all that transpired in 2020. With great relief, we're happy to affirm that the residential real estate segment has weathered the last 12 months in top economic form, despite the dire forecasts of the future last February, when we stood on the precipice of a grave economic crisis.

Except for a few fluctuations due to the initial panic caused by the pandemic, demand for high-end real estate has remained stable. People soon realized that the unprecedented printing of new money around the world would be accompanied by rampant inflation and so safe investment harbors would then be harder to come by. Those who could began to secure their future by acquiring quality properties, since their value always increases over time. Particularly in the second half of the year, premium properties became a highly sought-after investment asset.

We can even go so far as to say that residential properties have become one of the pillars of the

pension system as they are one of the few solid foundations left in these uncertain times. With everything that has happened since the arrival of this new virus, people simply stopped relying on the state and decided to take matters into their own hands. I believe that as our struggle against the pandemic starts to take a turn for the better, we will experience a period of euphoria and the economy will be rejuvenated. Those who have invested in real estate stand to reap the benefits.



Prokop Svoboda
Svoboda & Williams

KEY TRENDS IN THE PRAGUE PREMIUM PROPERTY MARKET

Based on the sample monitored by Svoboda & Williams

SALES

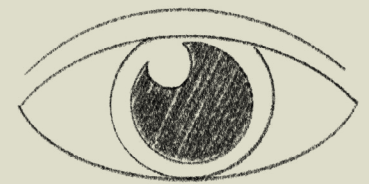
- Total number of inquiries went up by **5.4%**. Clients increasingly looked for properties with a terrace or front garden and properties in recreational areas.
- Premium properties appeared to be **crisis-proof** in 2020.
- Percentage of clients that relied on mortgages in order to buy properties in the second half of the year: **53%**.

RENTALS

- The stock of rental apartments in the Prague premium segment saw a year-on-year increase of **35%**.
- Interest in apartments for rent in the center didn't change much and traditional locations, such as **Vinohrady, Karlín, and Letná** continued to be popular.
- According to the Rental Price Index by S&W+VŠE, achieved rents of premium apartments in Prague decreased by **11%**.

THE REAL ESTATE MARKET

THROUGH THE EYES
OF SVOBODA & WILLIAMS



A YEAR OF UNQUENCHABLE THIRST FOR PROPERTIES

The coronavirus crisis slowed down growth in many economic sectors, but the Prague real estate market proved resistant to it throughout the entire year. Low interest rates, together with the repeal of the property acquisition tax, enticed even those who would otherwise have hesitated to buy properties and many decided to protect their assets and savings by investing in real estate. Bolstered by the long-term insufficient level of construction and therefore also of the available housing stock, high demand drove real estate prices up over the course of the entire year.

Bolstered by the long-term insufficient level of construction and therefore also of the available housing stock, high demand drove real estate prices up over the course of the entire year.

In terms of the Prague premium segment, according to Svoboda & Williams' data, the **average achieved price per square meter for new builds rose to CZK 131,900**, a year-on-year increase of 11.2%. Clients paid **7.8% more, i.e. CZK 120,100 per square meter for premium resale properties.**

The prices of new builds and properties situated in sought-after locations will most likely increase in 2021, although their growth will probably not be abrupt. Developers will also continue to grapple with the lengthy building permit application process. The effort to streamline and speed it up has been halted due to the coronavirus crisis and developers, this time not only through the fault of state officials, launched the construction of only 3,246 apartments last year—a year-on-year decrease of 40%. However, if we compare it to 2017 and 2018 it's still an average number. In order to satisfy demand, analysts have estimated that Prague's stock of properties would have to add at least 20,000 apartments overnight. Although the Chamber of Deputies is scheduled to vote on the new Building Act this year, until its final version is made into law the Czech Republic will remain at the bottom of the list maintained by the World Bank on the speed of approving a building permit by country.

INVESTOR DEMAND HAS BROKEN THE RECORD OF THE MORTGAGE MARKET

The mortgage market achieved record numbers at the end of 2020: over the course of twelve months, banks provided mortgage loans worth CZK 254 billion according to Hypoindex's statistics. **The current maximum from 2016—CZK 226 billion—was far exceeded.**



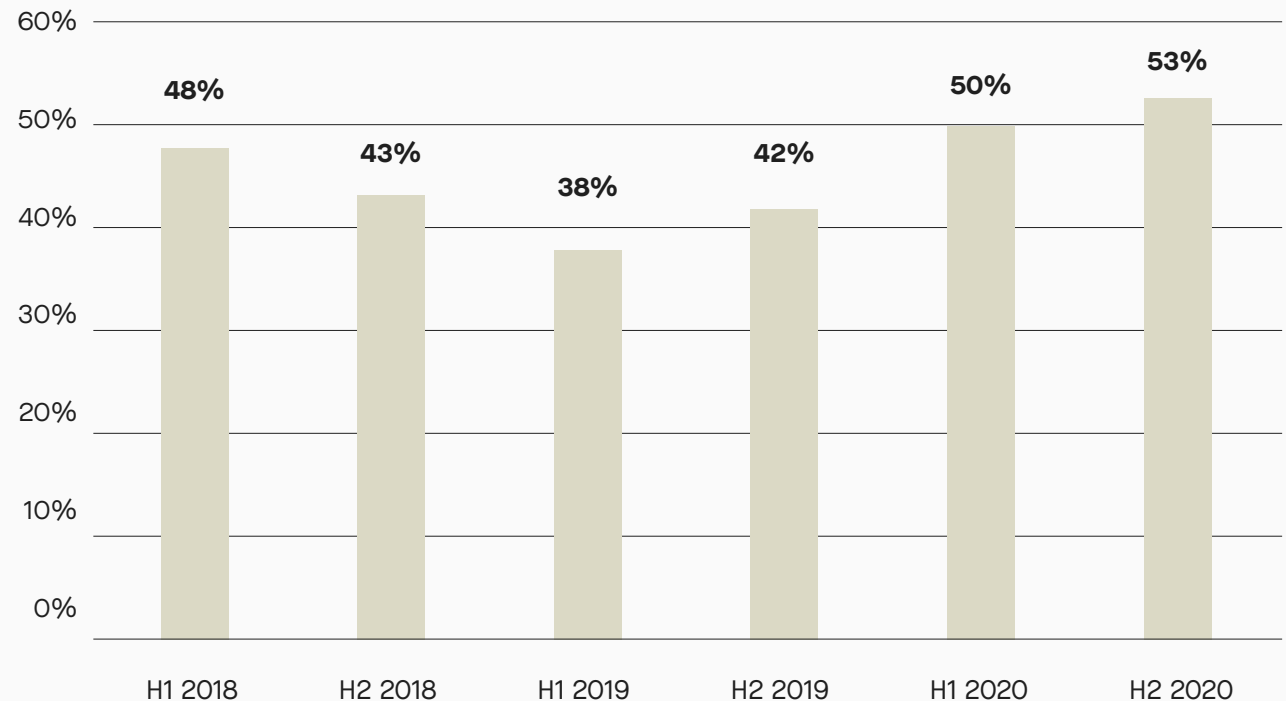
Quality properties are a safe investment harbor.

The dramatic growth of the mortgage market was caused by both unprecedented interest in home ownership and the interest shown by investors. This, together with the continuous rise in real estate prices, was reflected in the average mortgage amount, which increased by CZK 365,646 last year.

The dramatic growth of the mortgage market was caused by both the unprecedented interest in home ownership and the interest shown by investors.

In addition to having a safe place to park their funds, investors had another reason to rely on mortgages—**falling interest rates will cause rising inflation in investment assets, which include real estate**, and this in turn will cover a portion of the mortgages in the future. In December, the average interest rate fell below two percent for the first time in four years and settled at 1.98 percent. *“When interest rates are low, income from real estate, which is around three percent a year, continues to be an attractive option,”* says Prokop Svoboda.

Chart of the number of clients of Svoboda & Williams who financed the purchase of real estate with a mortgage



RENTAL HOUSING IS STILL ON THE RISE

Interest in rental housing has grown in the last several years, even among the upper middle class. The current crisis has only accelerated this trend, and so rental properties are poised to shape the residential real estate market significantly in the next few years, which is something that strong private investors and corporate and pension funds are well aware of. Until now, these entities have mostly acquired older apartments for their portfolios, but in 2020 the domestic market went through several phases that foreshadowed what could happen in the coming years.

Developers are starting to dedicate a significant portion of their projects to rental housing.

For example, the Swedish group Heimstaden, whose portfolio consists of almost 101,000 apartments, has big plans for the Czech market in 2021. Stanislav Kubáček, Senior Managing Director of Heimstaden's Central and Eastern

Europe and German investment team, told the E15 daily: *"I hope that next year we'll be able to conclude contracts for about a thousand new apartments in the Czech Republic."* The group's portfolio added 43,000 apartments, located primarily in the Moravian-Silesian Region, by January 2020.

Also worth mentioning is the German fund Zeitgeist Asset Management, which acquired 70 new apartments in Barrandov from Finep Holding in October. Michal Nečas, Managing Director of Zeitgeist Asset Management, stated that he was **trying to pave the way for a new standard of rental housing in the Czech Republic in order for this concept to become an accessible and full-fledged alternative to owner-occupied housing.** Mint Investments created a fund dedicated purely to the purchase of rental apartments and Czech Home Capital, co-owned by investor David Rusňák, is planning to buy a thousand apartments worth one billion crowns in 2021. Similarly, large developers are also focusing on rental housing. Many are already planning to set aside a significant portion of their projects for this exact type of housing. According to a survey by Hospodářské noviny, this will concern almost a thousand apartments in the coming year.

Among other completed transactions in 2020, Svoboda & Williams sold 26 units in an apartment building in Libeň, whose original owner clearly intended to reconstruct the building, rent it, and then sell it, which he managed to do very quickly. *"Conservative clients are looking for ways to park their money in profitable properties, and so they perceive entire apartment buildings or large units to be the most stable type of real estate. These clients are primarily searching for completely renovated buildings that are ready to be rented out on a long-term basis. They often use Svoboda & Williams' services, specifically property and facility management and owner representation during the rental process,"* says Eva Prašivková, Senior Property Consultant at Svoboda & Williams.

Eva Prašivková
Senior Property
Consultant



THE CORONAVIRUS CRISIS STIMULATED INTEREST IN RECREATIONAL PROPERTIES

Each crisis is an individual event with its own specific characteristics, and the current one is no exception. Due to its unusual nature, one of its attending aspects is the public's increased interest in recreational real estate.

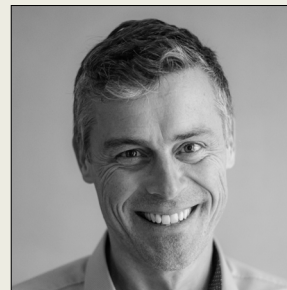
Most of the buyers were people from Prague who, due to the new travel restrictions, were looking to purchase recreational properties in the Czech Republic.

The coronavirus pandemic completely paralyzed the tourism industry and few people were allowed to travel outside of the Czech Republic. We collectively realized just how important occasionally changing our environment is to our mental health. The ideal situation is to have a se-

cond home away from the hustle and bustle of the big city. **This type of property is also a good investment opportunity since it can be rented out, thereby avoiding the negative effects of inflation.**

Unprecedented interest in properties located in the mountains or in popular recreational areas was also seen in the premium real estate segment. In 2020, the portfolio of Svoboda & Williams included several such projects, such as Trio Harrachov, U Ducha hor, and Pálavská brána. *"We literally couldn't sell recreational properties fast enough. The last six months were marked by an extraordinary synergistic effect—buyers with enough financial resources, accessible mortgages, and the pandemic lockdown measures, all happening at the same time,"* said Senior Property Consultant at Svoboda & Williams Jan Mráz when asked about the rapid rise in demand for recreational real estate.

Jan Mráz
Senior Property
Consultant



As Mráz mentioned, **all of the units in U Ducha hor residential project were sold only six months after the sale was launched.** Likewise, most of the apartments in the Trio Harrachov project were sold by the second half of 2020 and this despite the fact that real estate prices have almost doubled since they were put on the market due to the rising popularity of recreational properties in the Krkonoše Mountains.

The last six months were marked by an extraordinary synergistic effect—buyers with enough financial resources, accessible mortgages, and the pandemic lockdown measures, all happening at the same time.

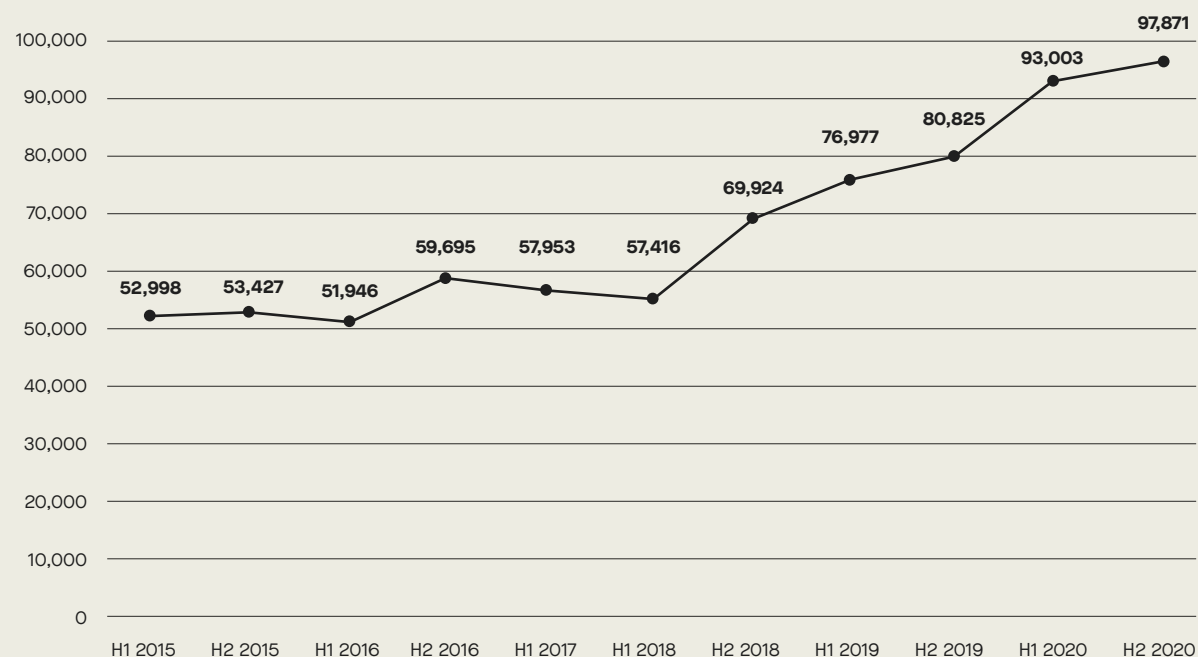
Over the course of the year, there was also great interest in individual recreational properties that aren't part of multi-family residential complexes. **"Last year, there was a significant increase in demand in the regions outside of Prague and transactions were concluded much faster.** Demand still changed depending on the season—properties in South Bohemia were

sought in the spring and as winter approached people's interest shifted to the mountains. Most of the buyers were people from Prague who, due to the new travel restrictions, were looking to purchase recreational properties in the Czech Republic. For some, this type of real estate served as a 'shelter' from the pandemic," adds Petr Netušil, a real estate agent who focuses on properties outside of Prague at Svoboda & Williams.



Petr Netušil
Property Consultant

The average achieved price of a recreational property from the portfolio of Svoboda & Williams (CZK/sq. m.)



Note: The sample consists primarily of apartments situated in mountain resorts.

TRULY SUPERIOR PROPERTIES HAVE PROVEN RESISTANT TO ECONOMIC FLUCTUATIONS

Recreational real estate wasn't the only segment in which supply could barely cover the rise in demand. In the second half of the year, clients increasingly began to inquire about properties at the very top of the real estate market.

The most expensive villas can be transformed into corporate headquarters, replacing offices for lease and serving as an investment.

Completed transactions included historic and modern villas in lucrative Prague neighborhoods, especially Bubeneč and Dejvice, apartments with extensive floor areas situated in the historic center of Prague, as well as penthouses in timeless and newly completed residential projects.

Magdalena Svatková, Senior Property Consultant at Svoboda & Williams, added: *"Wealthy clients feel that there is a lot of money in circulation, which lessens its value, and so they're trying to get rid of their excess cash. Buyers who inquire about properties in our portfolio have enough liquidity to purchase this type of asset outright. The most expensive villas can be transformed into corporate headquarters,*

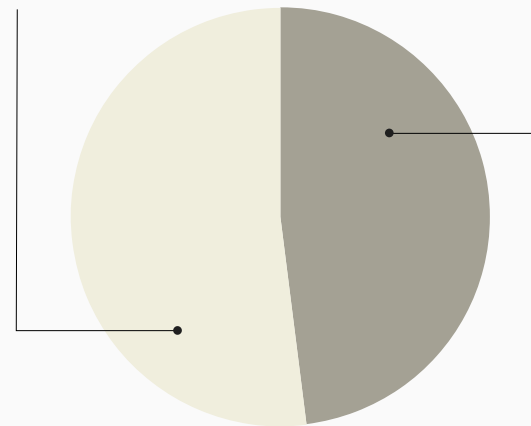
replacing offices for lease and serving as an investment."

Magdalena Svatková
Senior Property
Consultant



Financing properties with achieved sale prices of over CZK 10 million

52%



48%

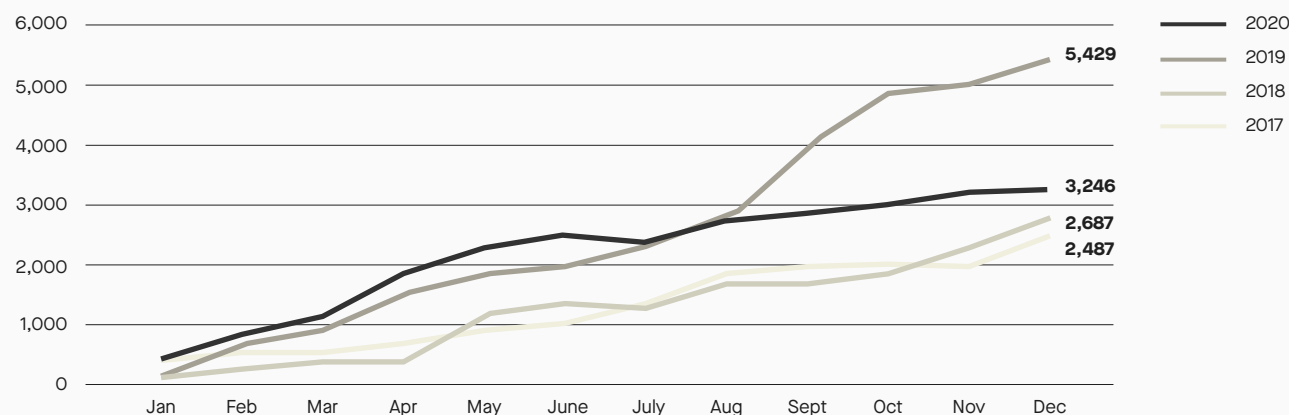
Buyer's own
resources

Mortgage loan

LAUNCHED AND COMPLETED CONSTRUCTION PROJECTS IN PRAGUE

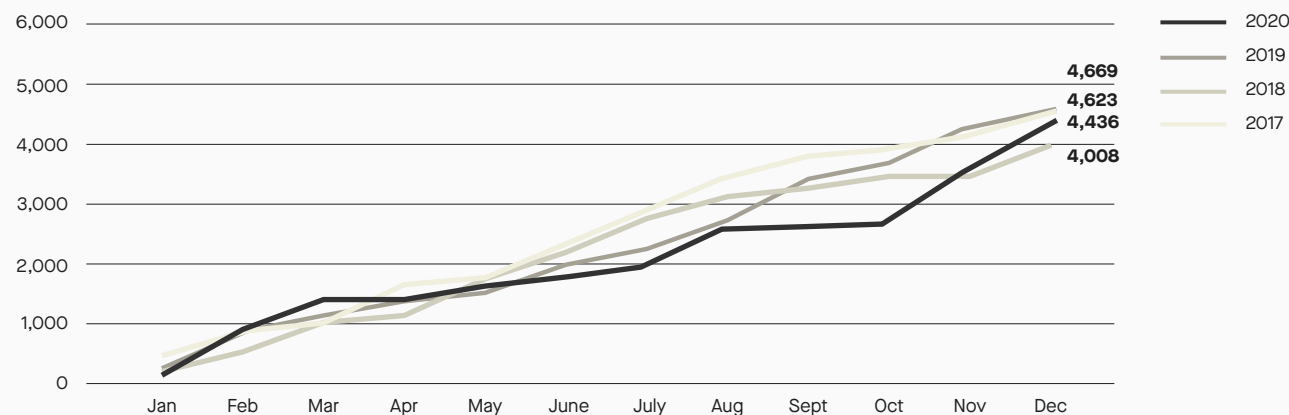
In 2020, the coronavirus pandemic caused uncertainty in the global market that trickled down to the construction industry. **Construction companies and developers had to suspend or cancel planned projects, and less of them were launched, which can be seen in the actual number of such projects—3,246.** Compared to 2019, this was a decline of 40%, although it should be noted that 5,429 apartments under construction is an above-average number. If we look at the bigger picture, it's an average value. **Analysts expect that construction output will continue to fall in 2021;** in January they agreed that the decline would be about 6%. However, the crisis didn't affect the number of completed apartments quite as badly. In ongoing construction projects, all of the units were generally sold long before final approval was granted, and so developers had no reason to suspend them.

Ongoing Construction in Prague



Source: ČSÚ

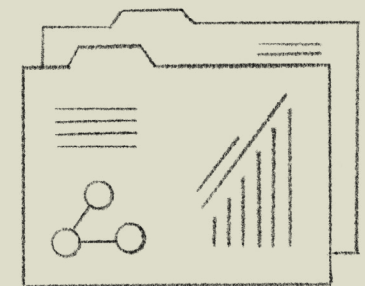
Completed New Build Apartments in Prague



Source: ČSÚ

THE PORTFOLIO OF SVOBODA & WILLIAMS

A YEAR-ON-YEAR
COMPARISON (2019 VS. 2020)



PRAGUE RESIDENTIAL PROPERTIES FROM THE PORTFOLIO OF SVOBODA & WILLIAMS

SALES

The number of properties in Svoboda & Williams' portfolio remained stable: an average of 72 apartments per month were added to it in 2020.

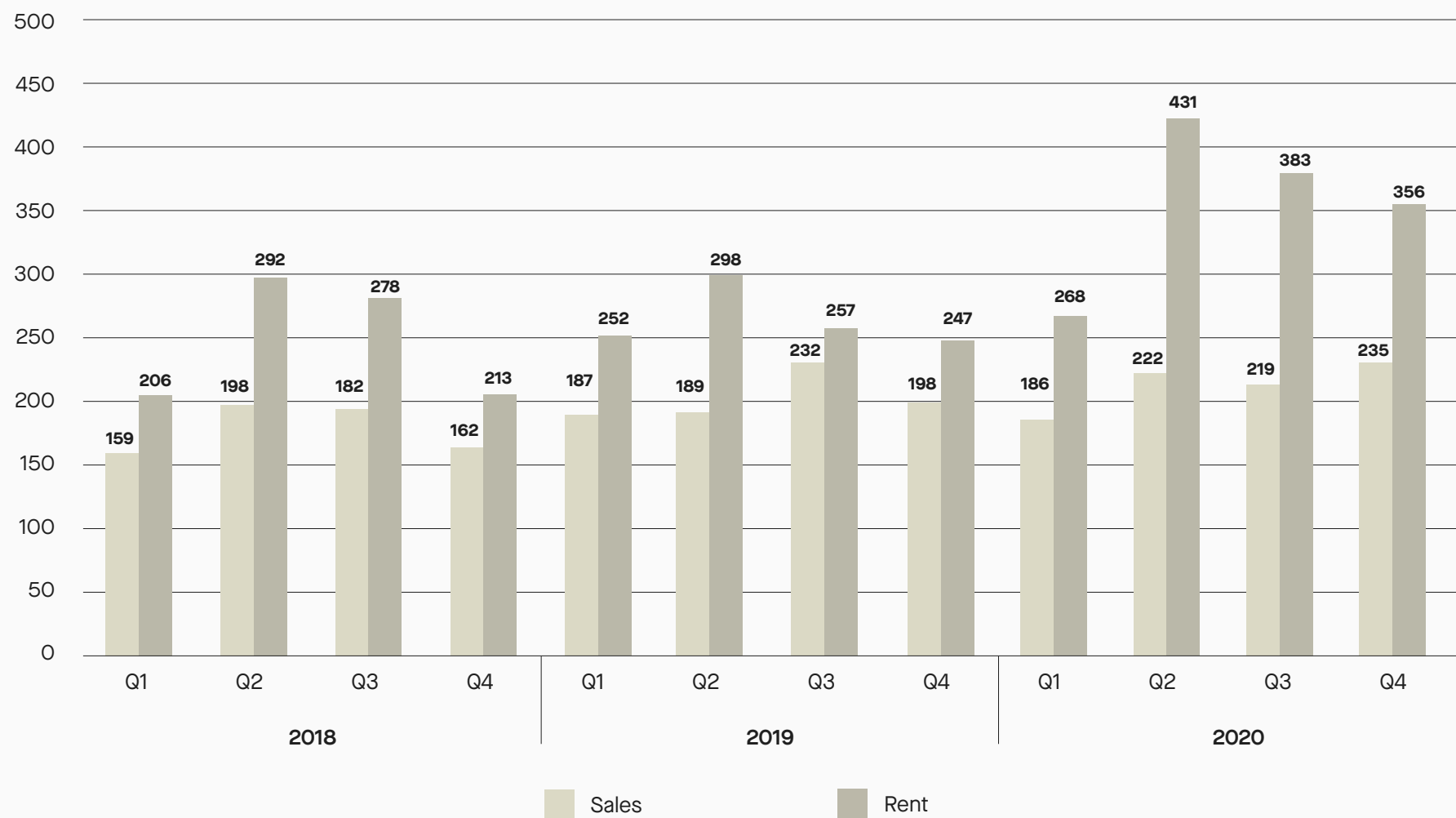
In Prague 1, the number of offered properties increased by 35%. In Prague 7, Prague 8, and Prague 9, the number of properties in our portfolio on average went up by a third. **This increase was mainly due to the newly completed projects in these areas, such as Praga Rezidence, Rezidence Vrší, Rezidence Chateau Troja, and Komunardů 35.** In contrast, our listed properties in Prague 6 declined by almost 50%. Residents of this district didn't have a reason to sell and construction in this location was minimal and limited to Břevnov, Liboc, and Řepy.

RENT

Over the course of 2020, the number of apartments for rent in Svoboda & Williams' portfolio continued to increase. **An average of 120 properties for rent were added to it each month—a year-on-year growth of 35%.** Offers in Prague 8, Prague 3, and Prague 5 expanded significantly, but we recorded the largest increase in Prague 1, where we listed 80% more apartments for rent compared to the same period last year.

*"Our offer of properties in Prague 1 was influenced by the influx of apartments that were previously on the market as short-term rentals. **Supply gradually exceeded demand, which made rental prices go down in this area. We recorded the largest gap between supply and demand in studios and one-bedrooms. Apartments that were previously intended for tourists created specific units that aren't designed for long-term living due to their layouts and facilities, so renting them out is a bit more complicated,**" said David Šimeček, Head of the Residential Rentals Team.*

**The offer of properties for sale and rent
from the portfolio of Svoboda & Williams**



DEMAND FOR PRAGUE RESIDENTIAL PROPERTIES FROM THE PORTFOLIO OF SVOBODA & WILLIAMS

SALES

The total number of inquiries in 2020 had a year-on-year increase of 5.4%.

As we stated in our Market Report H1 2020, inquiries did decrease, but only in March, when the level of uncertainty about the spread of the pandemic in the months to come was at its peak. Other smaller fluctuations over the course of the year had to do with the repeated implementation of restrictive measures— inquiries increased and decreased as lockdown regulations were loosened and then tightened again.

In the second half of the year, demand for apartments with outdoor spaces, i.e., a terrace

or garden, continued to rise and clients of Svoboda & Williams showed an elevated interest in houses in Prague and beyond its borders, especially to the south and southwest of the city (near Průhonice, Jesenice, Dolní Břežany, Černošice). At the same time, demand increased for truly premium properties, i.e., villas in lucrative parts of Prague, such as Bubeneč, Ořechovka, or Hanspaulka, as well as for recreational real estate.

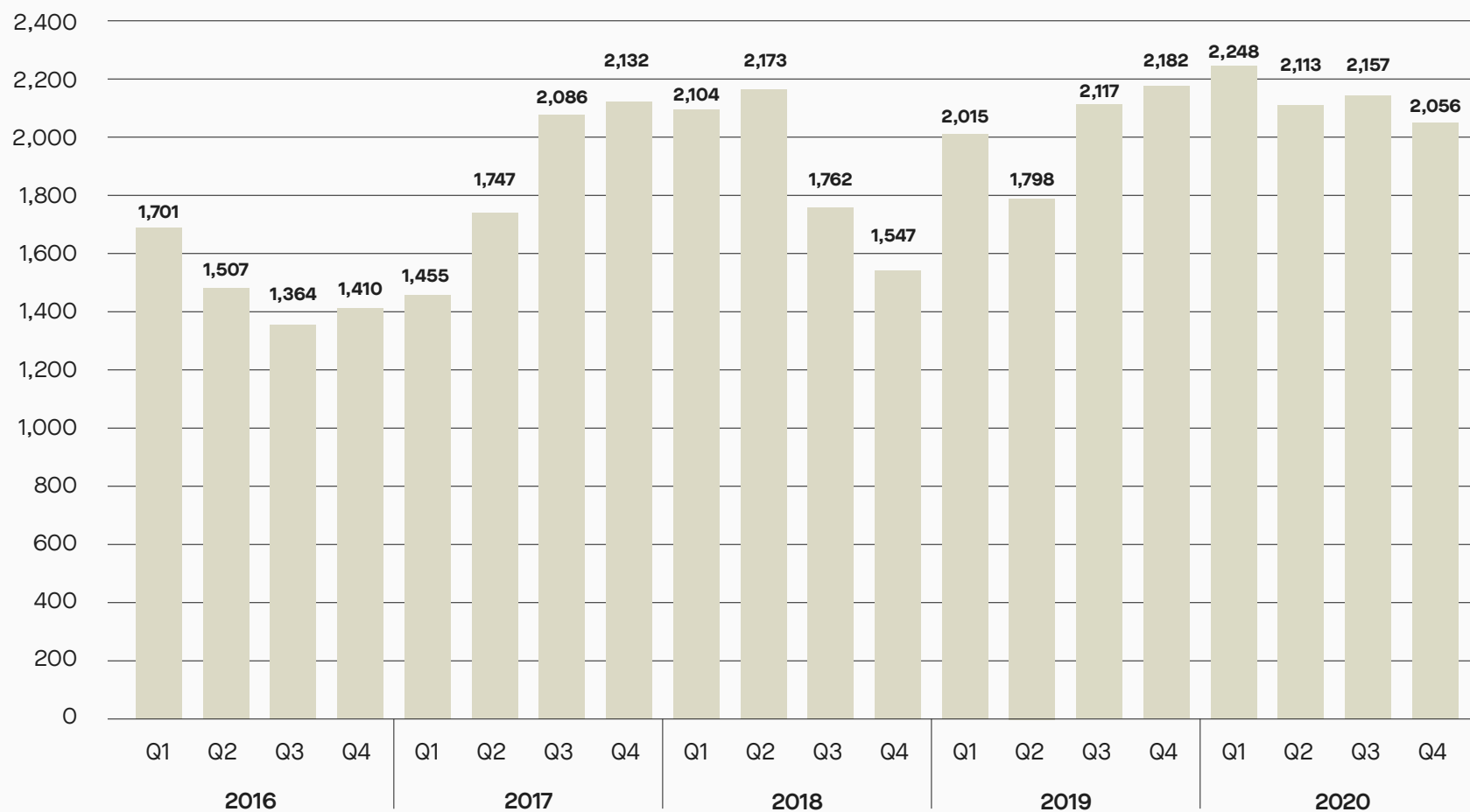
It should be noted that in the second half of 2020, demand for apartments in the center

of Prague remained pretty much constant. **Quality real estate in the historic core of the city proved resistant to last year's unfavorable economic situation.** Clients continued to be interested in resale apartments in Old Town and New Town, Josefov, on U Milosrdných, Dušní, and V Kolkovně streets, or on the Janáček and Smetana embankments.

Demand for properties for sale offered by Svoboda & Williams, Prague

Year	Quarter	Number of inquiries	Quarter-on-quarter comparison (q/q)	Year-on-year comparison (y/y)
2016	Q1	1,701	-	-
	Q2	1,507	-11.4%	-
	Q3	1,364	-9.5%	-
	Q4	1,410	3.4%	-
2017	Q1	1,455	3.2%	-14.4%
	Q2	1,747	20%	15.9%
	Q3	2,086	19.5%	53%
	Q4	2,132	2.2%	51.2%
2018	Q1	2,104	-1.3%	44.6%
	Q2	2,173	3.2%	24.4%
	Q3	1,762	-18.9%	-15.5%
	Q4	1,547	-12.2%	-27.4%
2019	Q1	2,015	30.2%	-4.3%
	Q2	1,798	-10.7%	-17.2%
	Q3	2,117	17.7%	20.1%
	Q4	2,182	3.1%	41%
2020	Q1	2,248	3%	12%
	Q2	2,113	-6%	17%
	Q3	2,157	2.1%	1.9%
	Q4	2,056	-4.7%	-5.8%

Demand for properties for sale offered by Svoboda & Williams, Prague



Note: The stated number of inquiries represents people interested in buying a property.

RENT

Demand for apartments with outdoor spaces also increased in the residential rental segment, but not, however, in the emptied center of Prague.

“In the past six months, people were mostly interested in traditional locations like Vinohrady, Karlín, Letná, and Holešovice. Tenants associate these neighborhoods with a greater chance of finding long-term rental properties, which they don’t feel that they have in the city center. They are afraid that, once tourism returns, short-term rentals will reappear, which will make owners raise the rent or refuse to extend their rental agreements,” says Šimeček. Another consequence of the coronavirus crisis, which also copied the situation in the residential sales segment, was an increased demand for houses for rent in Prague and outside of the city. *“Some tenants wanted to escape Prague due to fears of the virus, while others wanted a change of environment since they were spending most of their time at home and also working there,*

so demand for rental housing with additional comforts and larger floor space therefore went up,” adds Šimeček.

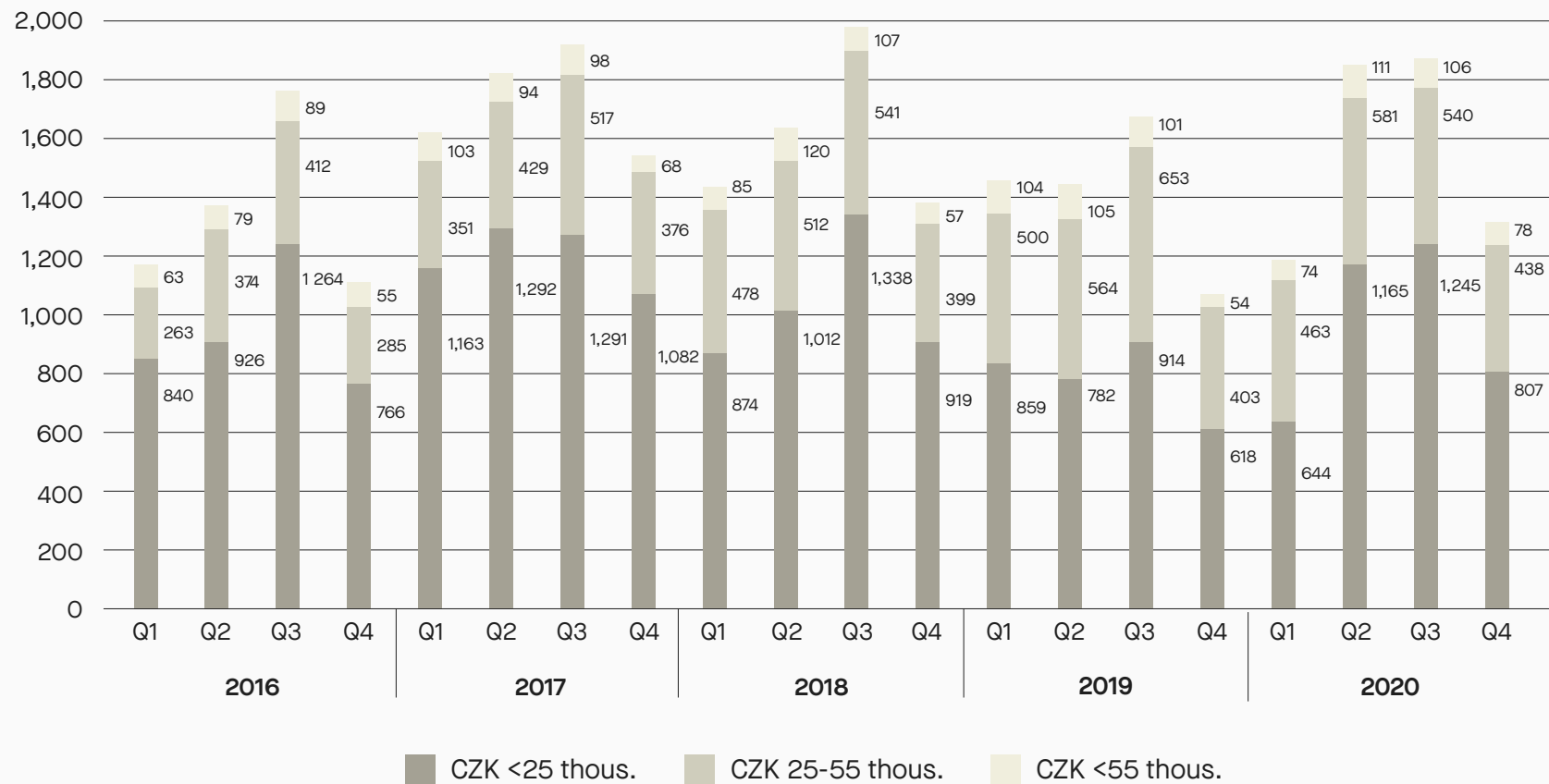
With a greater number of offered properties and lower rents, tenants had an added incentive to move. They didn’t pass up the opportunity to sign a new rental agreement for a better apartment in a more lucrative location and at a more favorable price, ideally with a possibility for long-term rent. The pandemic was also the reason that demand from expats decreased in the most expensive segment. Apartments in this category have thus far been rented mainly by relocated top managers, while the current crop of expats consists primarily of young IT professionals who are looking for apartments in the lower and medium-price segments.

In 2020, the total number of residential rental inquiries increased by 10%. The most significant growth was recorded in the segment with monthly rents of up to CZK 25,000 per month, which went up by 21% in the year-on-year comparison. One reason for this was the higher number of offers in this segment. In the medium-priced segment with monthly rents from CZK 25,000 to 55,000/month, the situation remained more or less stable—demand only went down by 5% compared to the same period last year. For its part, demand for the highest-price segment with rents of CZK 55,000 and higher hardly changed at all (a year-on-year increase of only 1%), but if we compare the first half and the second half of the year, we see that demand actually went up by 19%.

**Demand for properties for rent from the portfolio
of Svoboda & Williams, Prague**

Year	Quarter	Number of inquiries	Quarter-on-quarter comparison (q/q)	Year-on-year comparison (y/y)
2015	Q1	954	-	-
	Q2	1,019	7%	-
	Q3	1,338	31%	-
	Q4	1,009	-25%	-
2016	Q1	1,166	16%	22%
	Q2	1,379	18%	35%
	Q3	1,765	28%	32%
	Q4	1,106	-37%	10%
2017	Q1	1,617	46%	39%
	Q2	1,815	12%	32%
	Q3	1,906	5%	8%
	Q4	1,526	-20%	38%
2018	Q1	1,437	-6%	-11%
	Q2	1,664	14%	-9%
	Q3	1,986	21%	4%
	Q4	1,375	-31%	-10%
2019	Q1	1,463	6%	2%
	Q2	1,451	-1%	-12%
	Q3	1,668	15%	-16%
	Q4	1,075	-36%	-22%
2020	Q1	1,181	10%	-19%
	Q2	1,857	57%	28%
	Q3	1,891	2%	13%
	Q4	1,323	-30%	23%

Demand for properties for rent from the portfolio of Svoboda & Williams by price segment, Prague



Note: The stated number of inquiries represents people interested in renting a property.

CLIENTS OF SVOBODA & WILLIAMS

SALES

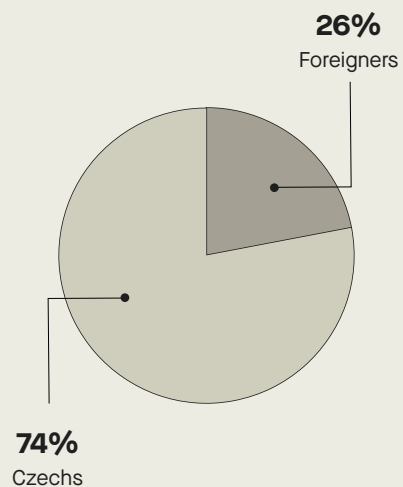
The number of local clients continued to grow—in 2020 it reached 78%. Only 22% of our buyers were foreigners, the majority of whom were Slovaks, Russians, and Italians.

An interesting aspect of this current crisis was how the properties purchased from the portfolio of Svoboda & Williams were financed. **For the first time since we published our Market Report, the number of clients who relied on mortgages was higher than those who purchased properties outright.** In 2020, 51% of sales were financed with mortgages. This is a direct result of lower interest rates, which dipped below 2%, and so clients of Svoboda & Williams unsurprisingly took advantage of this option.

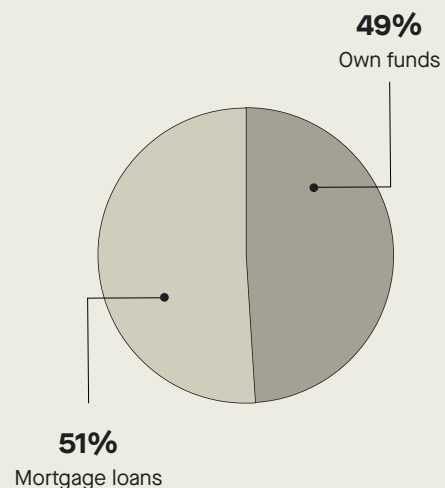
RENT

Due to the travel restrictions, most of our clients who inquired about properties for rent from the portfolio of Svoboda & Williams during the monitored period were locals. **In terms of the ratio of clients who actually rented one of the properties we offered, there was a slightly higher number of Czechs compared to foreigners—51% of achieved rental transactions to be precise—**while in previous years foreign clients were always in the majority. In the segment with monthly rents of up to CZK 25,000, 57% of tenants were Czechs. However, expats continued to dominate in the segment with the highest rents (over CZK 55,000)—66% of tenants who rented the most expensive properties were foreigners.

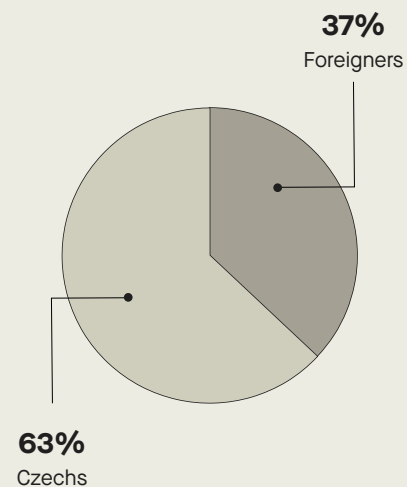
CLIENTS OF SVOBODA & WILLIAMS



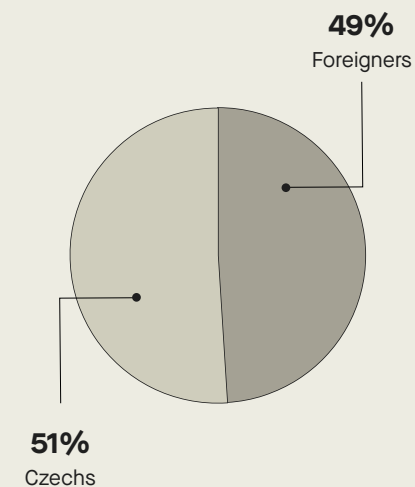
Ratio of Czech
and foreign buyers



Financing the purchase
of property



Ratio of Czech and foreign clients
inquiring about a property



Ratio of clients
who rented a property

	Inquiries		Realized rental transactions	
Price segments	Czechs	Foreigners	Czechs	Foreigners
CZK <25 thous.	64%	36%	57%	43%
CZK 25-55 thous.	62%	38%	49%	51%
CZK >55 thous.	55%	45%	34%	66%
Total	63%	37 %	51%	49%

PRICE ANALYSIS:

THE PRAGUE RESIDENTIAL MARKET



METHODOLOGY OF DATA PROCESSING

The following analysis is based on data obtained from the database of properties that Svoboda & Williams had in its portfolio in the course of the monitored period. The data concerning sales transactions is further supplemented by data about the sale of properties that correspond in terms of their parameters to the portfolio of Svoboda & Williams: in this case the prices are acquired from the Land Registry. **The monitored sample contains nearly 500 sold and 1,400 rented real estate units for a period of 12 months.**

Therefore, it is fair to say that the data of Svoboda & Williams covers a significant part of the premium segment of the Prague residential market.

The monitored real estate includes apartments in Prague 1-10. Svoboda & Williams has a minimum representation of apartments in other municipal districts. In each municipal part, premium areas where higher prices are achieved are represented, e.g. Prague 6 is mainly represented by Bubeneč, Dejvice, Střešovice, and Břevnov, Prague 4 is represented by Pankrác, Vyšehrad, and Podolí, Prague 8 is represented by Karlín and partly Libeň, Prague 5 mainly by Smíchov,

etc. The monitored prices of real estate and the level of rents are actually achieved transaction values; we do not monitor advertised prices. **For the calculation of the price per sq. m. we take into account the price for parking spaces, which we deduce from the achieved selling price. The floor space of an apartment (according to the Civil Code) includes a portion of the exterior (terrace, balconies, loggias and gardens). We apply a specially developed algorithm to the conversion of the space of the exterior which reduces this area progressively and it also takes into account the ratio of the exterior space to the interior space.** Average prices are calculated from the transactions carried out over the last 12 months (01/2020-12/2020), percentage changes are year-on-year (01/2020-12/2020 vs. 01/2019-12/2019). For sales we also differentiate between the achieved price per sq. m. for new apartments in residential projects and for resale homes. In order to be able to compare all project prices, it was necessary to unify the stage of construction progress for several units using an average assumption of CZK 30,000/sq. m. for the stage before reconstruction (shell & core) and CZK 10,000/sq. m. for the stage before completion of surfaces (white walls). **We do not follow the price per sq. m. for rentals. While the price per**

sq. m. is relevant for sales, for rentals the price is determined mainly by layout (in addition to the location). For example, an apartment with two bedroom and a kitchenette (2+kk) with an area of 50 sq. m. is normally leased for nearly the same price as an apartment with an area of 60 sq. m., whereas the purchase price of the larger apartment can be up to 15 to 20% higher. Therefore, in our analysis of residential rentals, we work with the total rent, and not with the price per sq. m. For a better picture we also state the achieved price for the most frequent layouts within sales and rentals arranged by Svoboda & Williams, which are 2+kk apartments (one bedroom + kitchenette) and 3+kk apartments (two bedrooms and kitchenette).

For the development of rental prices, we biannually compile The Rental Price Index by S&W + VSE, an analytical tool developed by Svoboda & Williams in cooperation with the Faculty of Informatics and Statistics of the University of Economics in Prague. It works just like the Consumer Price Index compiled by the Czech Statistical Office. See more information about **The Rental Price Index by Svoboda & Williams + VŠE** [HERE](#).

METHODOLOGY OF DATA PROCESSING

DATA ANALYSIS

METHODOLOGY OF SVOBODA & WILLIAMS



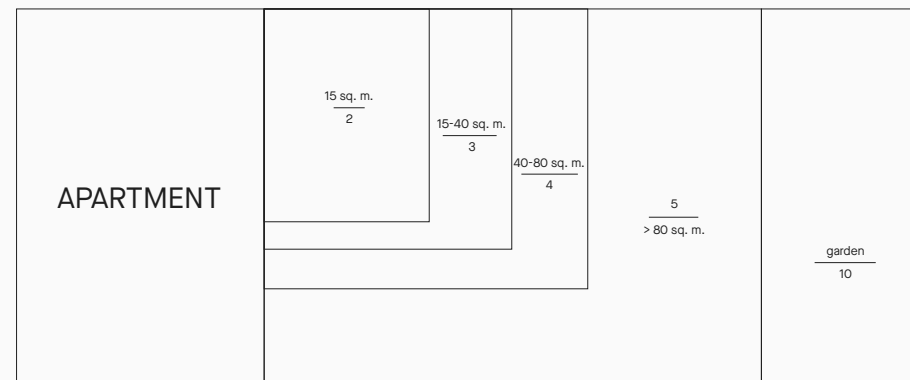
LISTED
PRICE



ACHIEVED
PRICE

$$\text{Price per sq. m} = \frac{\text{Achieved sales price} - \text{price of parking}}{\text{Apartment area} + \text{proportional part of the exterior (b/t/g)}}$$

ALGORITHM FOR CONVERSION OF THE EXTERIOR



The area of a terrace that exceeds 30% of the interior is divided by two.

PRAGUE

In the monitored period (January 2020–December 2020), the average achieved price per square meter of a premium Prague apartment rose to CZK 125,700 at the end of the year—a year-on-year increase of 8.9%.

At the same time, the **average total achieved price for an apartment, which was CZK 12,236,000 at the end of the second half of the year**, also increased. In the year-on-year comparison, it went up by 16.7% since there was higher demand for the most spacious three-bedroom and larger apartments due to the pandemic. While the average **price of an older apartment rose by 7.8% up to CZK 120,100/sq. m., a new apartment cost on average CZK 131,900/sq. m.—a growth of 11.2% in the year-on-year comparison.** The three-year-long downward trend in the average floor area of the apartments monitored by Svoboda & Williams has now reversed itself. In the monitored period, this value increased by 2% due to the changes in the layouts sold. Prior to the coronavirus

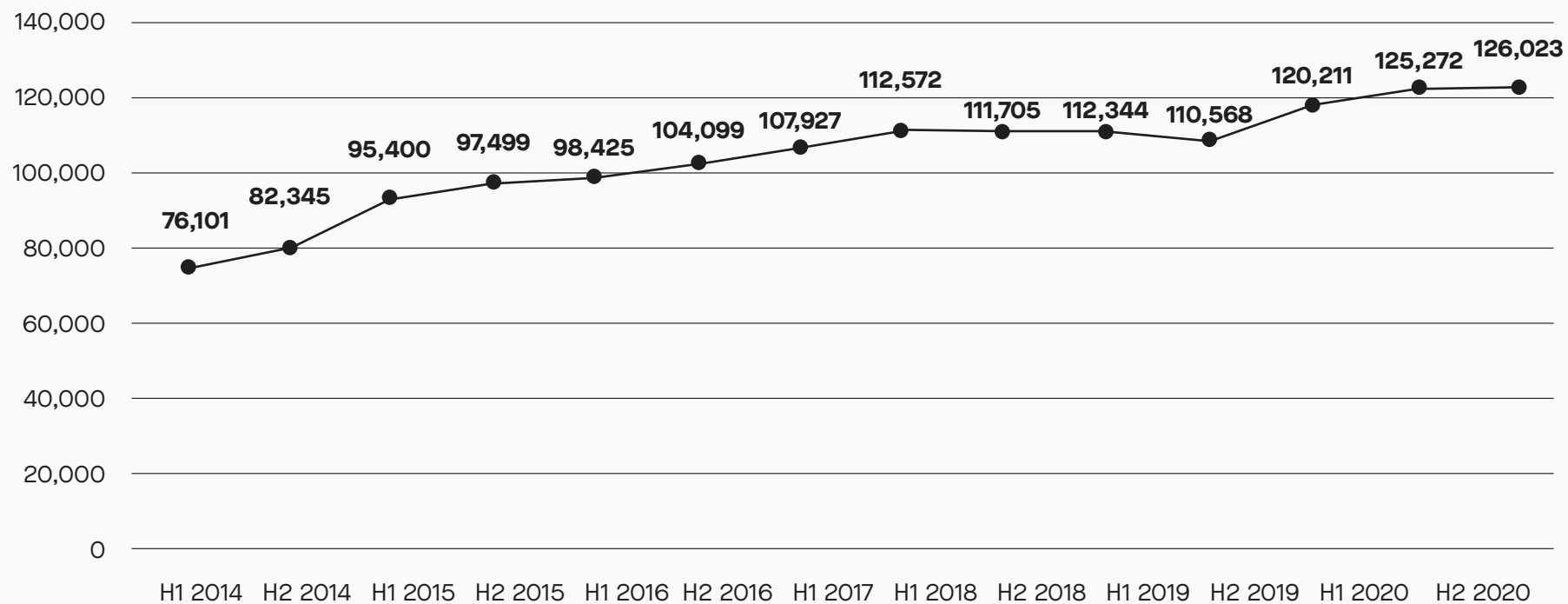
crisis, buyers tended to search for efficiently arranged apartments, for example 120 sq. m. three-bedroom layouts, but **last year 134 sq. m. three-bedroom and even 196 sq. m. four-bedroom units were sold.** The average achieved price for an apartment with the most sold layout came to CZK 7,364,000 for a one-bedroom and CZK 11,715,000 for a two-bedroom.

The coronavirus crisis had the opposite effect on the average rental price for an apartment in Svoboda & Williams' sample, which came to **CZK 31,100/month—10.1% less than in the same period of the previous year.** The Rental Price Index by Svoboda & Williams + VŠE, which adjusts the change in the price level by the differences in the rental structure, is a tool we

use to monitor the development of rental prices on a semi-annual basis. **The Index reports a year-on-year overall decrease of 11% to CZK 29,400 in the second half of 2020. Compared to the previous half-year, according to the Index, rents decreased by 1.9%.** Since 2015, the Index has recorded a 17.1% rise in rental prices. Additional details about the Rental Price Index by S&W + VŠE can be found [HERE](#). Among the monitored rental properties, 71% of all Svoboda & Williams transactions were for one-bedroom and two-bedroom apartments. One-bedroom apartments in the period in question were rented for CZK 21,820 per month on average and tenants paid CZK 31,993 per month on average for two-bedroom units.

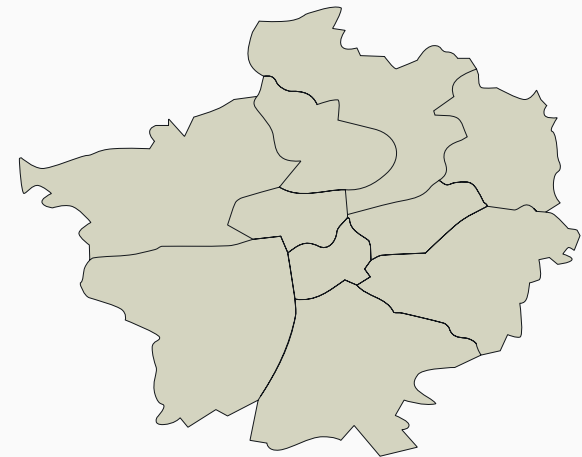
The premium segment of the residential market that Svoboda & Williams monitors is modest in size and so the overall results are more sensitive to what projects are sold or rented in a given period. We have listed several examples of projects that have had the greatest impact on prices in the individual districts of Prague.

**Development of the average achieved price
in Prague's premium segment (CZK/sq. m.)**



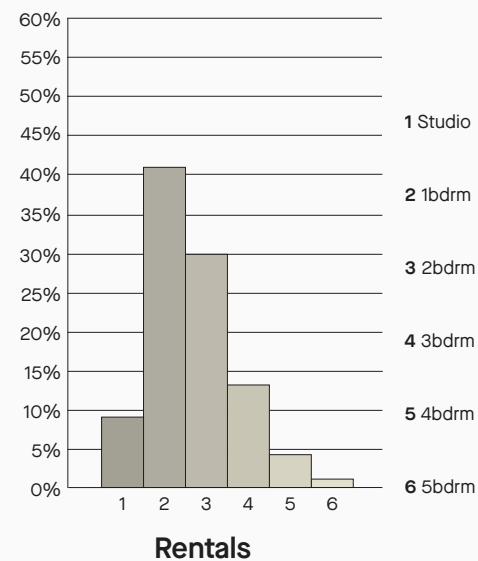
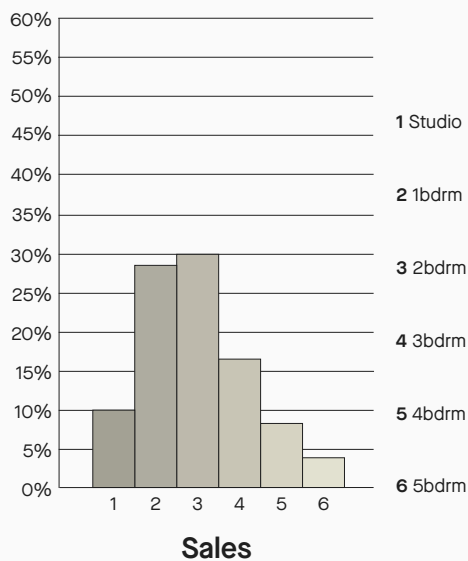
PRAGUE

	Ø Apt. price	Ø Apt. size	Ø Price per sq.m.	Ø Price per sq. m.		Ø Apt. price	
				New apt.	Resale apt.	1bdm	2bdm
Sales	CZK 12,236,000	91 sq.m.	CZK 125,700	CZK 131,900	CZK 120,100	CZK 7,364,000	CZK 11,715,000
	16.7%	2%	8.9%	11.2%	7.8%	16.4%	5.8%
Rental	CZK 31,100	90,2 sq.m.	N/A			CZK 21,820	CZK 31,993
	-10.1%	-4.9%				-9.5%	-7.5%

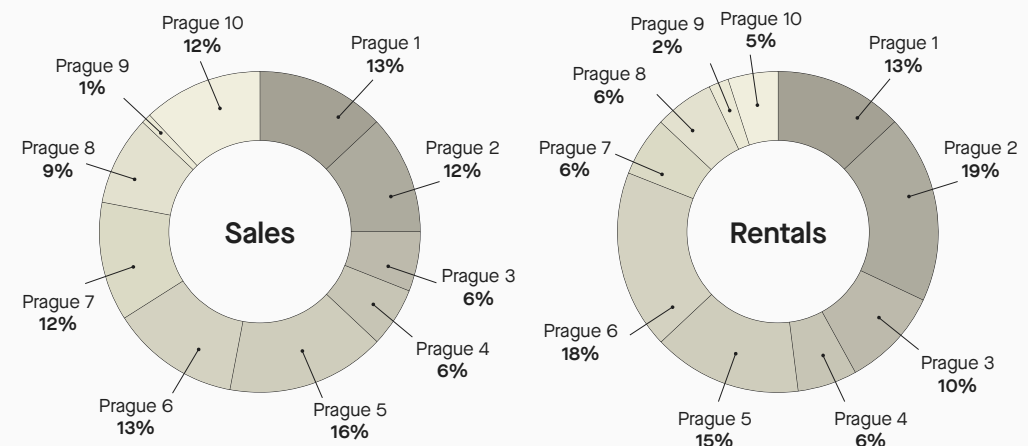


Average values during the monitored period (January 2020–December 2020) and their year-on-year change.

Layouts by percentage in the monitored sample of properties



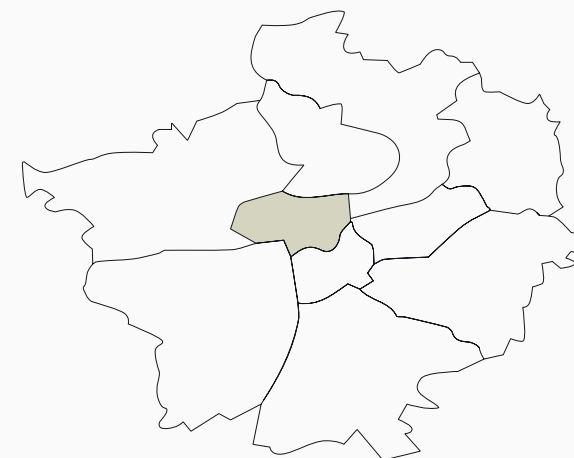
Location of the Monitored Properties



PRAGUE 1

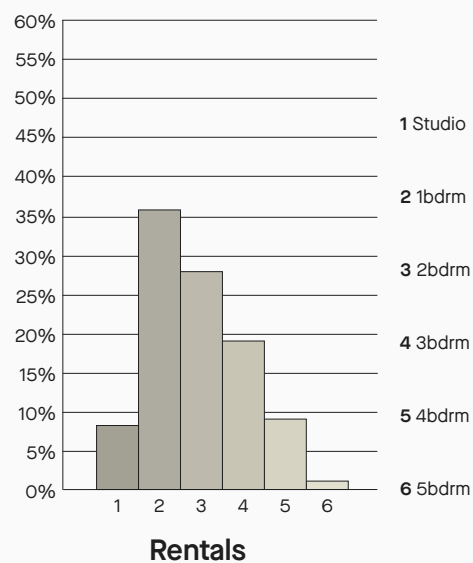
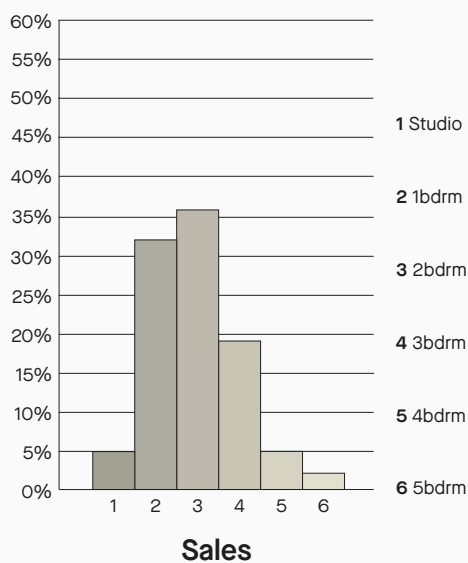
Examples of monitored projects: Rezidence Ostrovní, Palác Dlážděná, Rezidence Opletalova, Celinka.

	Ø Apt. price	Ø Apt. size	Ø Price per sq. m.		Ø Apt. price	
			New apt.	Resale apt.	1bdm	2bdm
Sales	CZK 17,731,000	103,3 sq. m.	CZK 167,800	CZK 174,300	CZK 10,630,000	CZK 15,769,000
	20%	14%	14%	0%	31%	1%
Rental	CZK 39,600	116,0 sq. m.	N/A		CZK 26,000	CZK 39,600
	-6%	9%			-15%	-12%

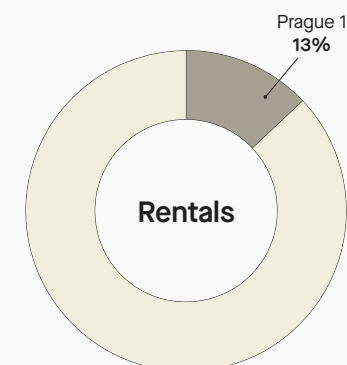
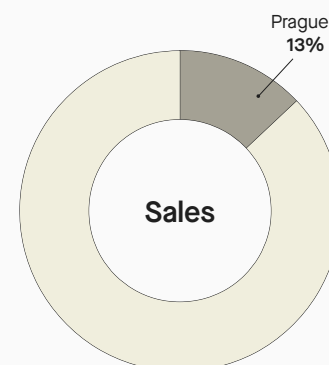


Average values during the monitored period (January 2020–December 2020) and their year-on-year change.

**Layouts by percentage
in the monitored sample of properties**



**Location of the
Monitored Properties**

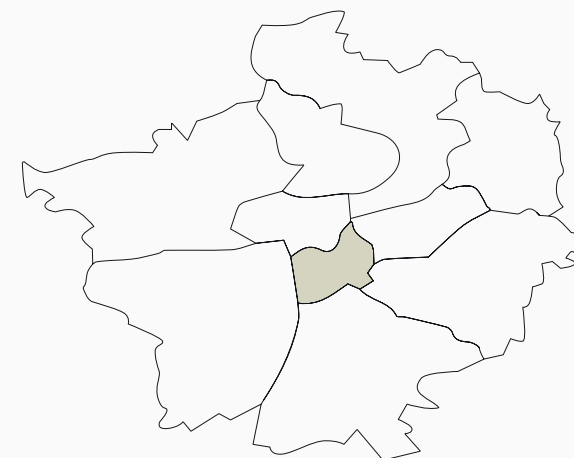


PRAGUE 2

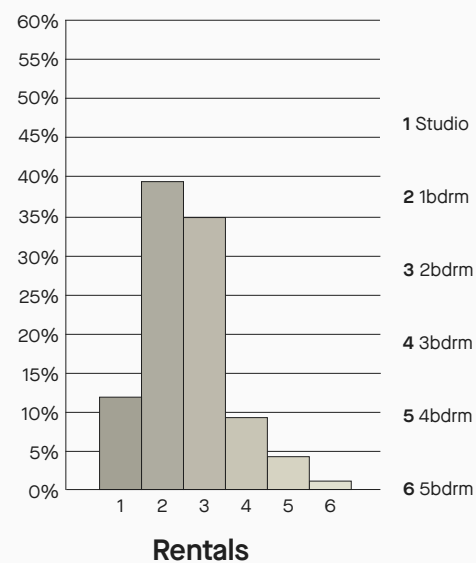
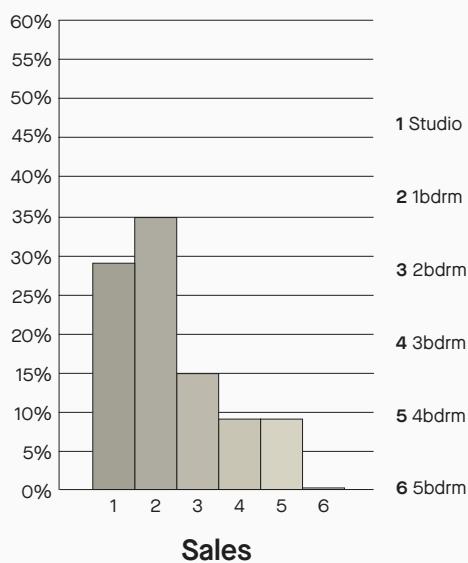
Examples of monitored projects: Maison 1832 Lofts, Terasa Lavande, Wenzigova 19, Rezidence Hálkova.

	Ø Apt. price	Ø Apt. size	Ø Price per sq. m.		Ø Apt. price	
			New apt.	Resale apt.	1bdm	2bdm
Sales	CZK 9,654,000	75,2 sq. m.	CZK 150,500	CZK 129,600	CZK 9,168,000	CZK 11,268,000
	-10%	-16%	7%	7%	23%	-8%
Rental	CZK 30,200	86,4 sq. m.	N/A		CZK 22,400	CZK 32,300
	-19%	-13%			-12%	-13%

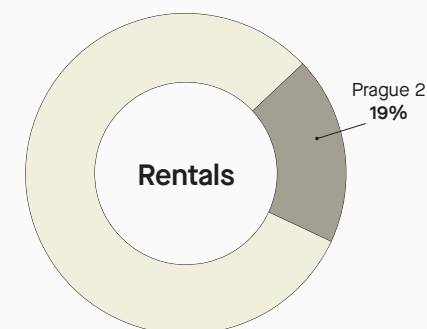
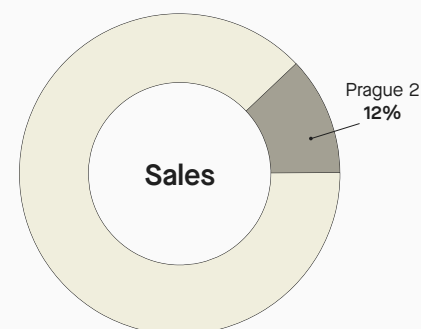
Average values during the monitored period (January 2020–December 2020) and their year-on-year change.



**Layouts by percentage
in the monitored sample of properties**



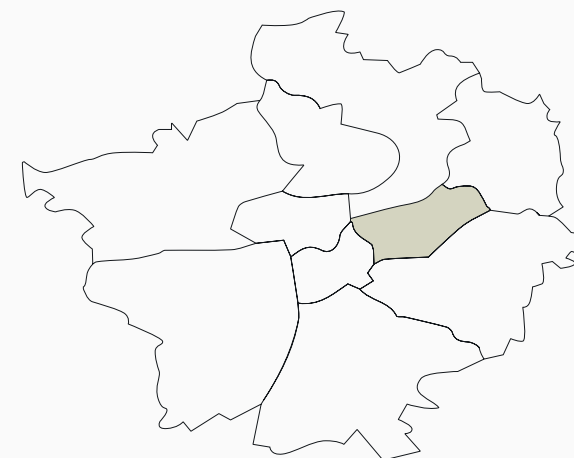
**Location of the
Monitored Properties**



PRAGUE 3

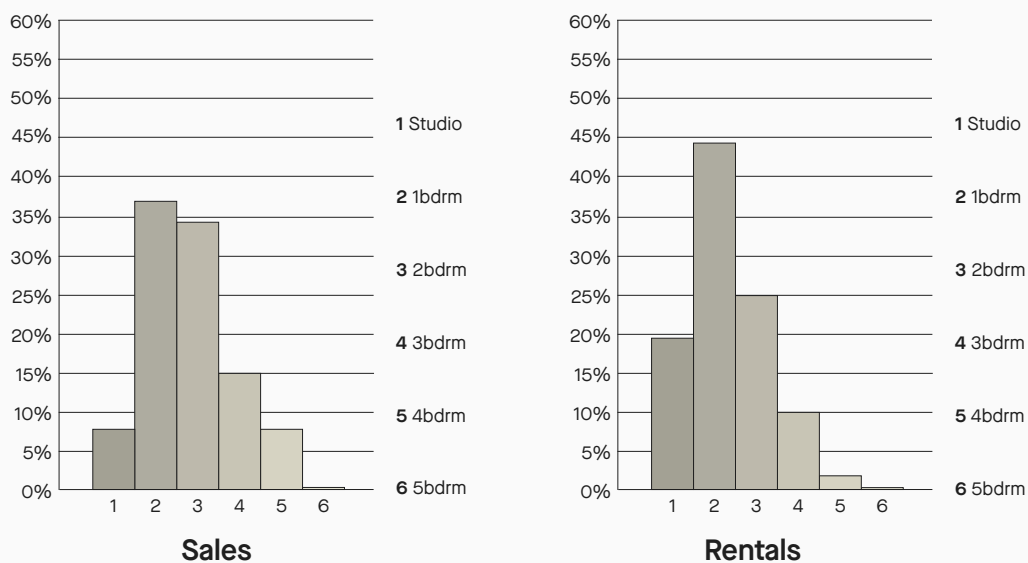
Examples of monitored projects: Slavíkova 4, Rezidence Přemyslovská, Rezidence Soběslavská, Rezidence Křišťanova.

	Ø Apt. price	Ø Apt. size	Ø Price per sq. m.		Ø Apt. price	
			New apt.	Resale apt.	1bdrm	2bdrm
Sales	CZK 10,480,000	85,6 sq. m.	CZK 127,800	CZK 104,700	CZK 6,240,000	CZK 11,398,000
	17%	5%	8%	-3%	1%	9%
Rental	CZK 27,700	73 sq. m.	N/A		CZK 22,000	CZK 32,700
	-13%	-15%			-6%	-2%

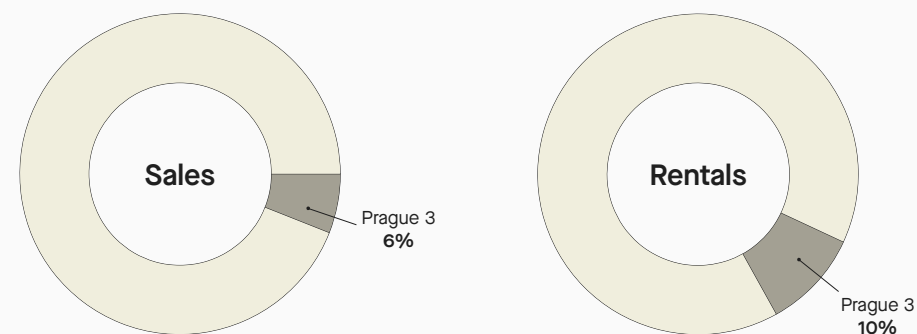


Average values during the monitored period (January 2020–December 2020) and their year-on-year change.

**Layouts by percentage
in the monitored sample of properties**



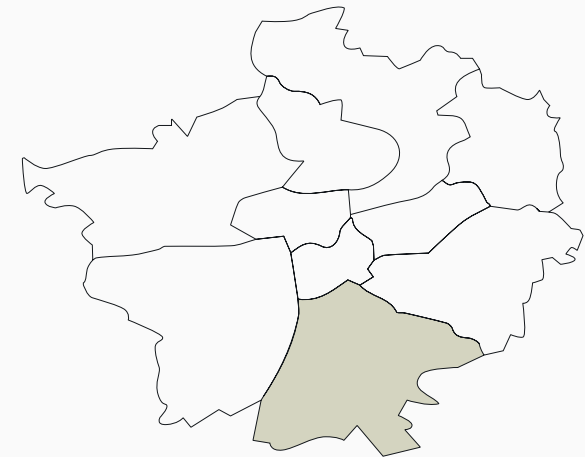
**Location of the
Monitored Properties**



PRAGUE 4

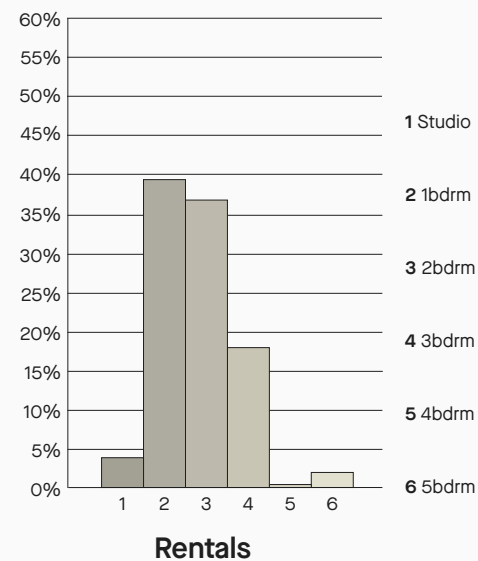
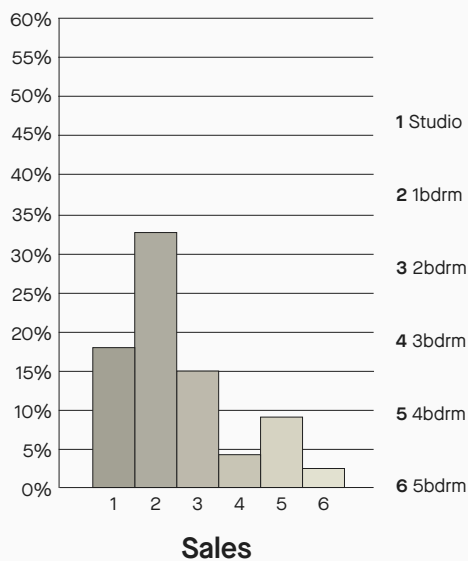
Examples of monitored projects: Bydlení Nusle, Rezidence V Jehličí, Sinkulova.

	Ø Apt. price	Ø Apt. size	Ø Price per sq. m.		Ø Apt. price	
			New apt.	Resale apt.	1bdrm	2bdrm
Sales	CZK 11,594,000	69,9 sq. m.	CZK 103,700	CZK 116,800	CZK 5,244,000	CZK 7,210,000
	68%	-4%	18%	19%	7%	-15%
Rental	CZK 26,300	86 sq. m.	N/A		CZK 17,900	CZK 28,000
	-7%	-5%			-13%	-3%

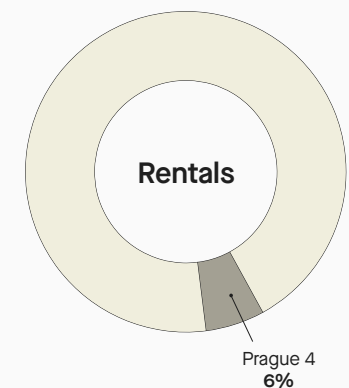
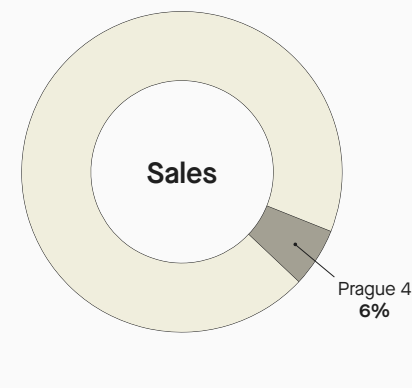


Average values during the monitored period (January 2020–December 2020) and their year-on-year change.

**Layouts by percentage
in the monitored sample of properties**



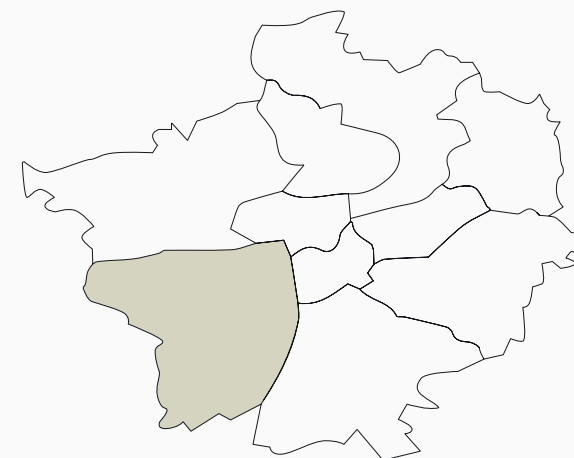
**Location of the
Monitored Properties**



PRAGUE 5

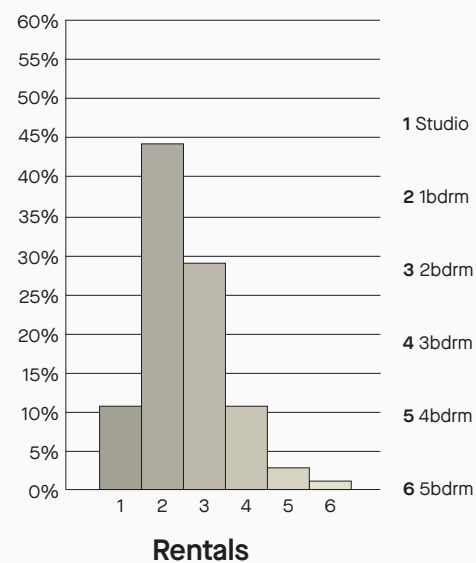
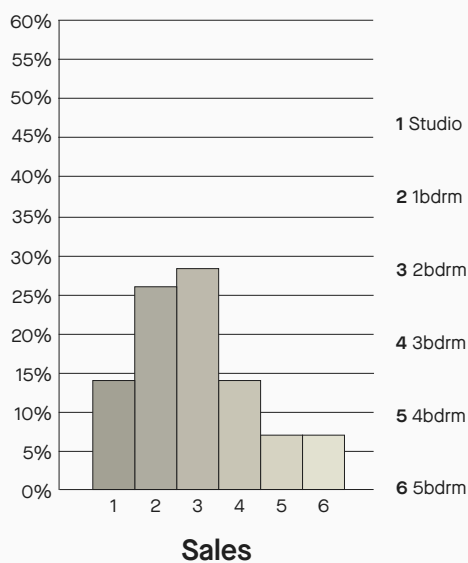
Examples of monitored projects: Park Residence Klamovka, Drtinova 11, Residence U Malvazinky, Residence U Náplavky.

	Ø Apt. price	Ø Apt. size	Ø Price per sq. m.		Ø Apt. price	
			New apt.	Resale apt.	1bdrm	2bdrm
Sales	CZK 10,024,000	88 sq. m.	CZK 108,300	CZK 108,100	CZK 6,531,000	CZK 10,089,000
	7%	-2%	3%	9,5%	17%	8%
Rental	CZK 27,500	83,2 sq. m.	N/A		CZK 20,600	CZK 27,600
	-17%	-13%			-13%	-8%

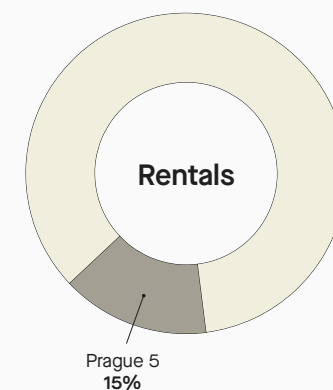
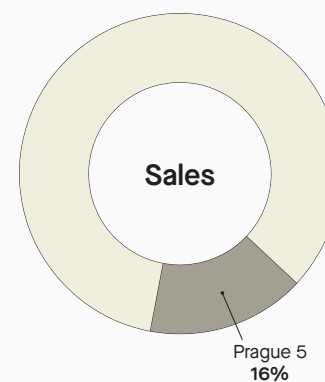


Average values during the monitored period (January 2020–December 2020) and their year-on-year change.

**Layouts by percentage
in the monitored sample of properties**



**Location of the
Monitored Properties**

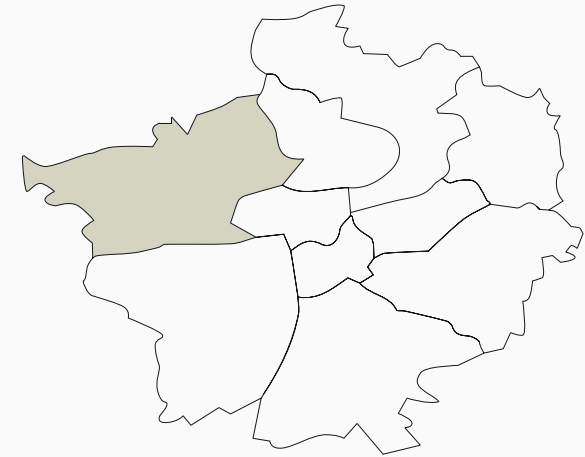


PRAGUE 6

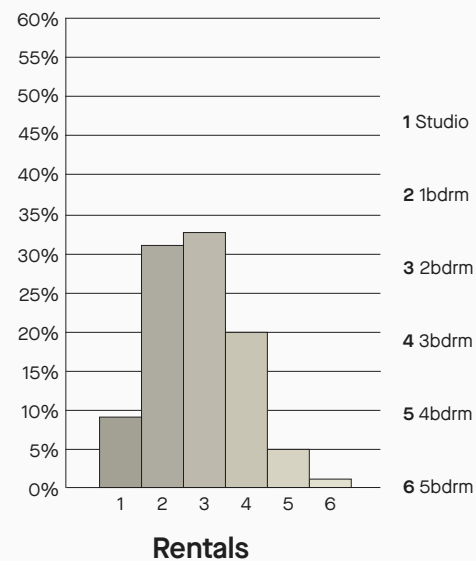
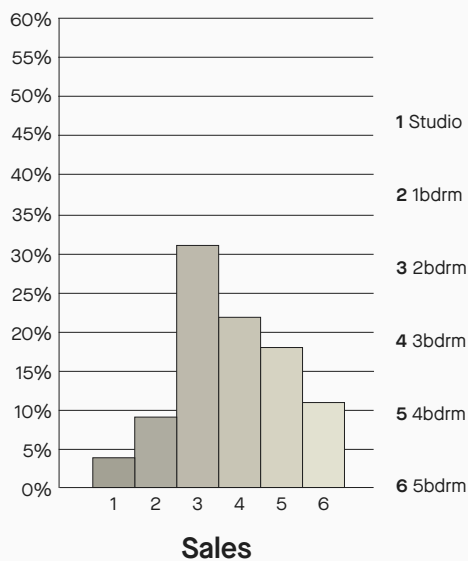
Examples of monitored projects: Na Petřínách 7, Rezidence Malý Břevnov, Šárecký Dvůr.

	Ø Apt. price	Ø Apt. size	Ø Price per sq. m.		Ø Apt. price	
			New apt.	Resale apt.	1bdm	2bdm
Sales	CZK 13,897,000	112,8 sq. m.	CZK 116,000	CZK 115,500	CZK 6,537,000	CZK 12,236,000
	0%	-2%	1%	12%	-26%	5%
Rental	CZK 37,400	98,6 sq. m.	N/A		CZK 20,600	CZK 31,000
	0%	-5%			-6.4%	2%

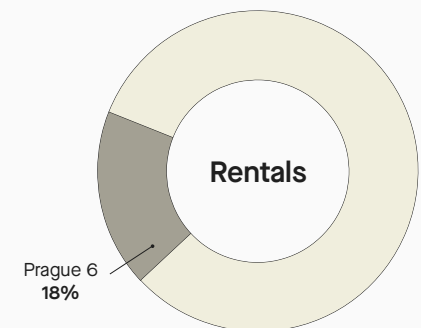
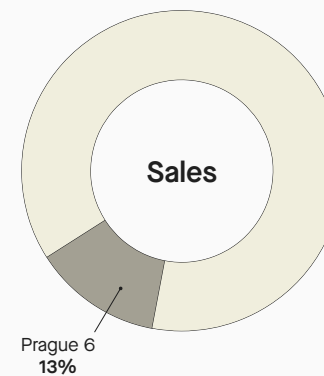
Average values during the monitored period (January 2020–December 2020) and their year-on-year change.



**Layouts by percentage
in the monitored sample of properties**



**Location of the
Monitored Properties**

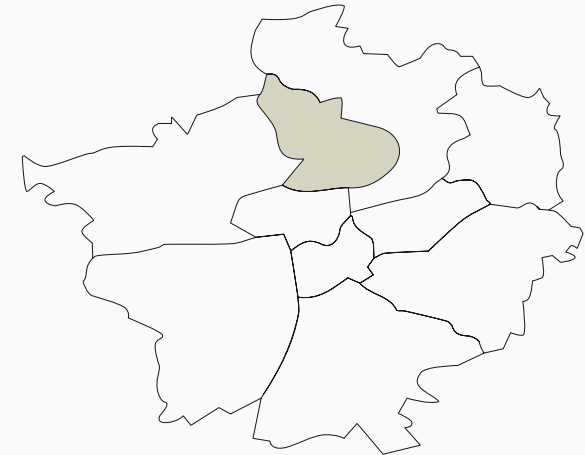


PRAGUE 7

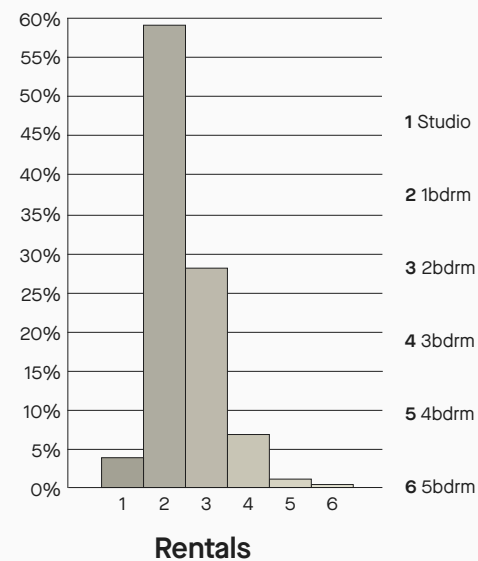
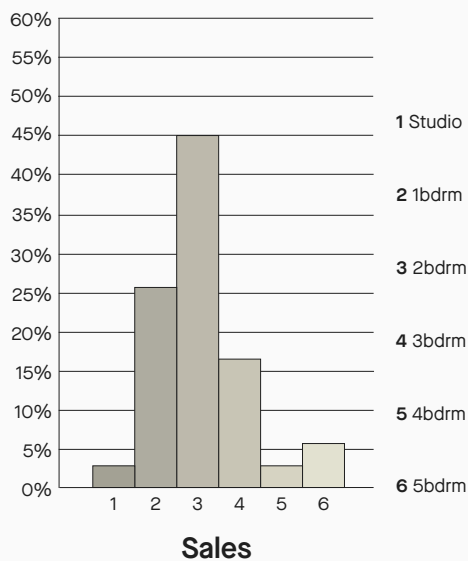
Examples of monitored projects: Chateau Troja, Residence Veverkova, Residence Heřmanka.

	Ø Apt. price	Ø Apt. size	Ø Price per sq. m.		Ø Apt. price	
			New apt.	Resale apt.	1bdrm	2bdrm
Sales	CZK 14,447,000	111 sq. m.	CZK 133,200	CZK 110,700	CZK 7,130,000	CZK 11,277,000
	44%	24%	23%	7%	20%	12%
Rental	CZK 24,900	74,7 sq. m.	N/A		CZK 21,800	CZK 27,100
	-16%	-11%			-7%	-10%

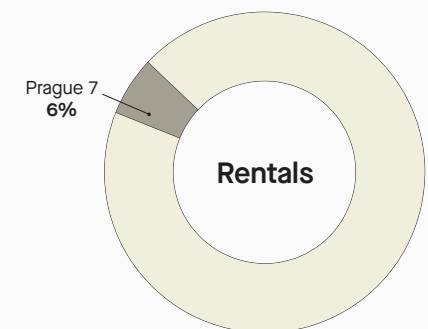
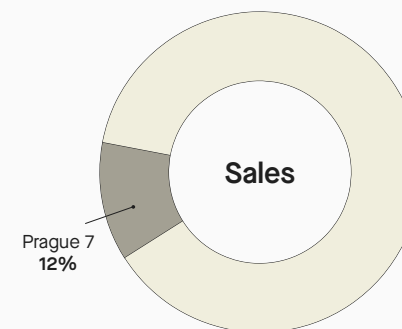
Average values during the monitored period (January 2020–December 2020) and their year-on-year change.



**Layouts by percentage
in the monitored sample of properties**



**Location of the
Monitored Properties**

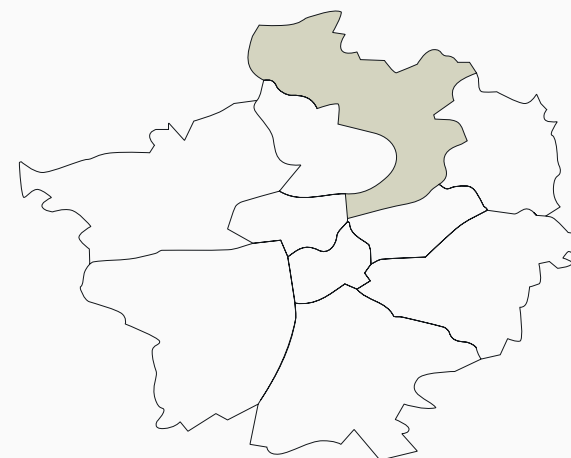


PRAGUE 8

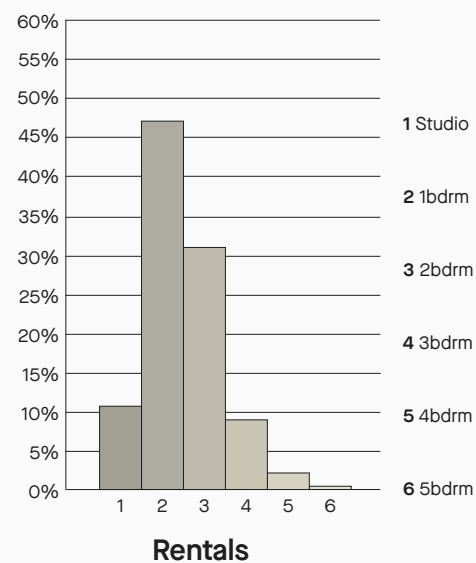
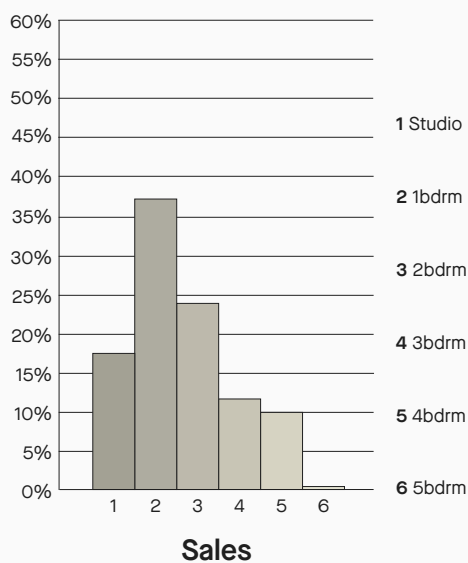
Examples of monitored projects: Port Karolina II, Rezidence Karlínské náměstí, Perner Lofts, Viladům Vršní.

	Ø Apt. price	Ø Apt. size	Ø Price per sq. m.		Ø Apt. price	
			New apt.	Resale apt.	1bdm	2bdm
Sales	CZK 10,057,000	79,9 sq. m.	CZK 123,200	CZK 104,400	CZK 7,283,000	CZK 11,280,000
	11%	1%	5%	3%	5%	-1%
Rental	CZK 26,600	75,1 sq. m.	N/A		CZK 25,700	CZK 33,000
	-8%	-3%			8%	-2%

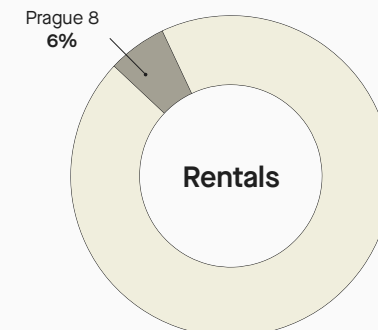
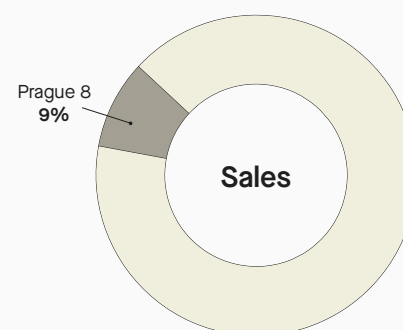
Average values during the monitored period (January 2020–December 2020) and their year-on-year change.



**Layouts by percentage
in the monitored sample of properties**



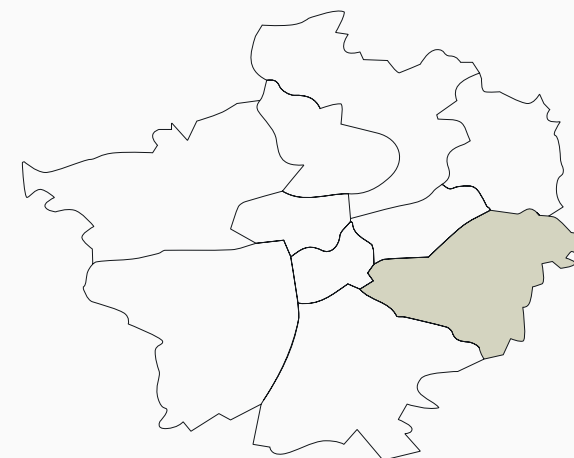
**Location of the
Monitored Properties**



PRAGUE 10

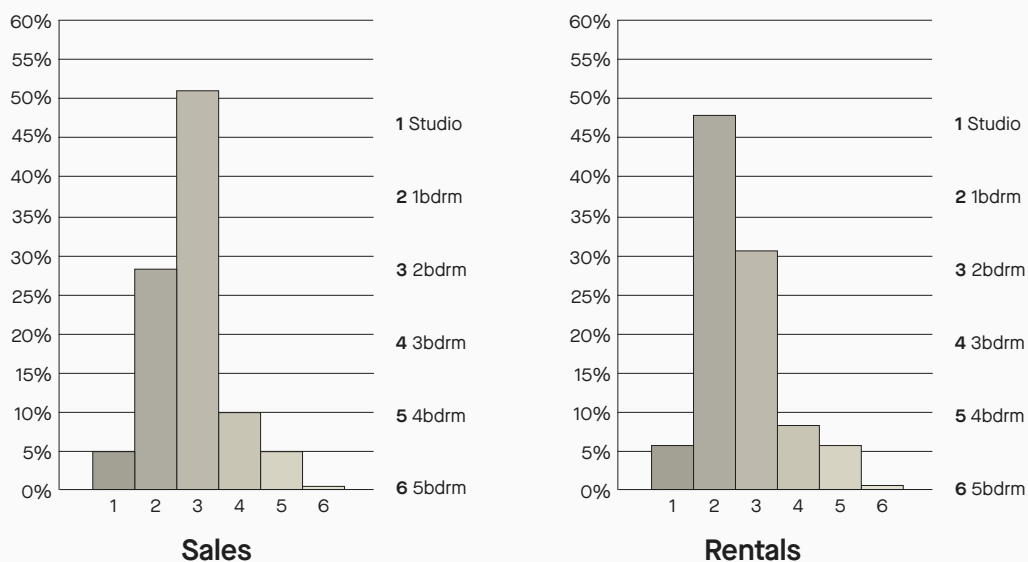
Examples of monitored projects: Rezidence Černomořská, Orelská 13, Charkovská 10, Sámova 12.

	Ø Apt. price	Ø Apt. size	Ø Price per sq. m.		Ø Apt. price	
			New apt.	Resale apt.	1bdrm	2bdrm
Sales	CZK 10,521,000	82,2 sq. m.	CZK 138,700	CZK 99,400	CZK 5,471,000	CZK 10,301,000
	35%	5%	22%	14%	2%	13%
Rental	CZK 24,500	82 sq. m.	N/A		CZK 18,400	CZK 29,700
	-13%	-2%			-11%	9%

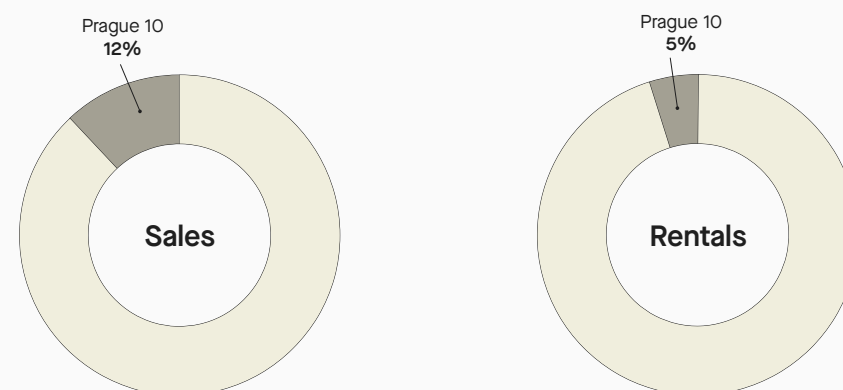


Average values during the monitored period (January 2020–December 2020) and their year-on-year change.

**Layouts by percentage
in the monitored sample of properties**



**Location of the
Monitored Properties**



DATA SUMMARY

Overall summary of average achieved rental prices in municipal districts (January 2020–December 2020)

Municipal district	Ø Monthly rent	Ø Apt. floor space	Ø Monthly rent	
			1bdm	2bdm
Prague 1	CZK 39,600	116 sq. m.	CZK 26,000	CZK 39,600
Prague 2	CZK 30,200	86.4 sq. m.	CZK 22,400	CZK 32,300
Prague 3	CZK 27,700	73 sq. m.	CZK 22,000	CZK 32,700
Prague 4	CZK 26,300	86 sq. m.	CZK 17,900	CZK 28,000
Prague 5	CZK 27,500	83.2 sq. m.	CZK 20,600	CZK 27,600
Prague 6	CZK 37,400	98.6 sq. m.	CZK 20,600	CZK 31,000
Prague 7	CZK 24,900	74.7 sq. m.	CZK 21,800	CZK 27,100
Prague 8	CZK 26,600	75.1 sq. m.	CZK 21,300	CZK 31,400
Prague 9	CZK 21,800	76.8 sq. m.	CZK 17,000	CZK 22,400
Prague 10	CZK 24,500	82 sq. m.	CZK 18,400	CZK 29,700

Source: data of SVOBODA & WILLIAMS

Average achieved rents vs. sales prices for specific layouts in Prague 1-10 (January 2020–December 2020)

Layout	Ø Monthly rent	Rentals Ø apt. floor space	Ø Selling price	Sales Ø apt. floor space
studio	CZK 15,800	39 sq. m.	CZK 4,526,000	35 sq. m.
1bdm	CZK 21,800	62 sq. m.	CZK 7,364,000	58 sq. m.
2bdm	CZK 32,000	100 sq. m.	CZK 11,715,000	93 sq. m.
3bdm	CZK 48,200	145 sq. m.	CZK 18,730,000	134 sq. m.
4bdm	CZK 70,900	196 sq. m.	CZK 34,220,000	196 sq. m.

Source: data of SVOBODA & WILLIAMS

DATA SUMMARY

Overall summary of average achieved sales prices in municipal districts (January 2020–December 2020)

Municipal district	Ø Apt. price	Ø Price per sq. m.	Ø Apt. floor space	Ø Price per sq. m.		Ø Apt. price	
				New apt.	Resale apt.	1bdm	2bdm
Prague 1	CZK 17,731,000	CZK 171,100	103 sq. m.	CZK 167,800	CZK 174,300	CZK 10,630,100	CZK 15,769,100
Prague 2	CZK 9,654,000	CZK 137,800	75 sq. m.	CZK 150,500	CZK 129,600	CZK 9,167,500	CZK 11,268,000
Prague 3	CZK 10,480,000	CZK 118,600	86 sq. m.	CZK 127,800	CZK 104,700	CZK 6,239,700	CZK 11,397,500
Prague 4	CZK 11,594,000	CZK 107,600	70 sq. m.	CZK 103,700	CZK 116,800	CZK 5,243,800	CZK 7,209,700
Prague 5	CZK 10,024,000	CZK 108,200	88 sq. m.	CZK 108,300	CZK 108,100	CZK 6,531,500	CZK 10,088,900
Prague 6	CZK 13,897,000	CZK 115,700	113 sq. m.	CZK 116,000	CZK 115,500	CZK 6,537,400	CZK 12,235,800
Prague 7	CZK 14,447,000	CZK 122,300	111 sq. m.	CZK 133,200	CZK 110,700	CZK 7,130,400	CZK 11,276,600
Prague 8	CZK 10,057,000	CZK 116,800	80 sq. m.	CZK 123,200	CZK 104,400	CZK 7,283,300	CZK 11,280,200
Prague 9*	N/A						
Prague 10	CZK 10,521,000	CZK 114,900	82 sq. m.	CZK 138,700	CZK 99,400	CZK 5,471,300	CZK 10,301,300

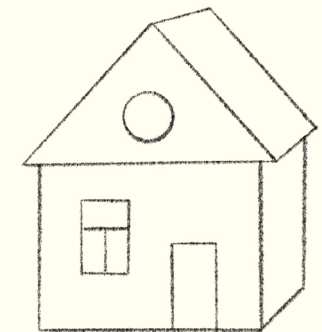
* Not enough data was available for Prague 9

Source: data of SVOBODA & WILLIAMS

FOCUS:

NEW DEVELOPMENT THAT IS CHANGING THE CHARACTER OF PRAGUE'S NEIGHBORHOODS

The city of Prague's current leadership has embarked on a path of reform, the end result of which could be a confident major metropolis with a high quality of life. Large construction projects that go hand in hand with transport infrastructure and revitalized public spaces are of vital importance to the capital city. The main driver of development today is undisputedly the private sector, i.e., developers who are creating large multifunctional and residential buildings that can significantly transform the area in which they are being built. Here are some of the neighborhoods and projects to look out for in the next few years.



SMÍCHOV

The exemplary transformation of a large brownfield by the Smíchov Railway Station.

Smíchov can currently be divided into two parts: upper Smíchov, with its luxury residential areas dotted with fancy villas, and Lower Smíchov, full of apartment buildings in various states of disrepair, industrial areas, and home to the bus and train station. However, the **neighborhood is a great place for residential and modern transport infrastructure construction that the whole city can benefit from.** It's exactly with this in mind that Sekyra Group approached the wide-ranging Smíchov City project, which is being built on the site of a former freight railway station between Za Ženskými domovy, Radlická, and Nádražní streets.

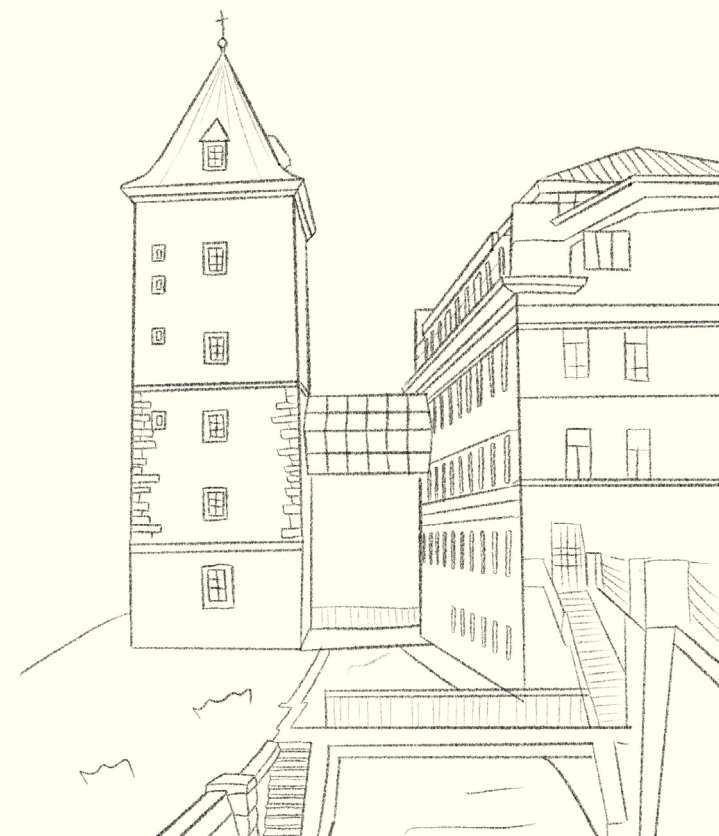
Smíchov City is a prime example of the meeting of urbanism, public space, and architecture—a step in the right direction when it comes to the revitalization of brownfields.



Photo: Sekyra Group

In the words of Petr Hlaváček, the First Deputy Mayor of Prague, it's a prime example of the meeting of urbanism, public space, and architecture—a step in the right direction when it comes to the revitalization of brownfields and the quality of construction in the capital and the entire Czech Republic. **It's not just about adding more residential and administrative buildings, but creating a new public space, which, besides the developer, the city and the public will also be involved in.** The new Smíchov City neighborhood will include a school, two large parks, a community center, and a kilometer-long pedestrian zone that winds through the entire project. Getting the city on board means an investment in public infrastructure and the transportation system. Moreover, the Railway

Administration will modernize the Smíchov Railway Station building and its surrounding area. Smíchov City is a well-thought-out, multifunctional space created through the shared efforts of several renowned architectural studios, such as A98, Kuba & Pilař architekti, D3A, or Projektil. Although it was realized by a single developer, each of the buildings will be different, thereby avoiding a monotonous wall of uniform buildings.



KARLÍN

A rental apartment building as a work of art and a new neighborhood floating on an Island.

Karlín has undergone a fundamental transformation since it was damaged by the devastating floods in 2002. **Many developers and investors have had a hand in reshaping it, starting with the Karlín Group company.** Projects such as Corso Karlín, Cornlofts Šaldova, Kotelna, or River Diamond set the course of the district's development after the turn of the new millennium. Other progressive and fearlessly creative developers have taken things in an exciting direction. Today, the atmosphere in Karlín is influenced by the trio of buildings (Nile House, Danube House, and Main Point Karlín) that has radically changed the Rohanské Embankment, AFI Karlín BUTTERFLY with its vertical cascading gardens, the recently finished Rustonka administrative buildings, or and the timeless PRAGA Rezidence and PRAGA Office & Garden complex, which elegantly bookends the Karlín promenade.

The most recent embodiment of this trend is the Fragment building by Trigema. Construction began last October on an empty plot of land near the Baroque Invalidovna estate. Fragment is a

unique feat that is ambitious enough to change the character of the entire neighborhood for two reasons. Firstly, it's a premium rental housing project that will consist of 140 furnished apartments. The need for more rental housing options in Prague has been discussed for several years and Fragment is a pioneer of this very concept. Secondly, the building will be absolutely unmistakable for its singular architectural style. Thanks to the collaboration between architects David Wittassek and Jiří Řezák from the Qarta architektura studio and artist David Černý, the building will be perfectly functional and equipped with modern technologies, yet art will play an important role. **The very fact that the building is shaped like a work of art—individual blocks will be arranged so as to depict the figure of a prone soldier, which is Trigema's tribute to the original purpose of Invalidovna as a veteran's hospital.** Fragment will also be supported by iconic statues, or fragments thereof, from the workshop of David Černý.

Fragment is a unique feat that is ambitious enough to change the character of the entire neighborhood.

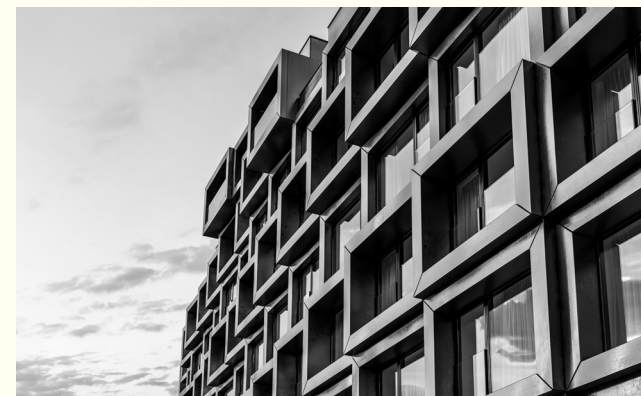


Photo: Trigema

Another future project in the works within Fragment's line of sight is Sekyra Group's vast Rohan City planned neighborhood, which will gradually emerge on Rohanský Island. Together with the city, the developer is planning a complex urban development project that can release new apartments for up to 4,000 people over the next twenty years, as well as a promenade and bike path along Vltava River, a bridge connecting Karlín and Holešovice, and a park that will rival the largest in the city. **After more than one hundred years, the filled-in island could return to its original form since the plans also call for a new river canal, which will be part of Prague's flood control system.** The team behind Rohan City includes renowned architects, such as Eva Jiřičná and Jakub Cígler, Loxia, A.D.N.S., or the previously-mentioned Qarta architektura studio, who will participate in its second phase of development.

PORT7

Developer: **Skanska**
 Start of construction: **Q1 2021**
 Planned end of construction: **Q1 2023**
 Type of project: **offices, retail space**

NOVÉ BUBNY

Developer: **N/A**
 Start of construction: **2021**
 Planned end of construction: **2040**
 Type of project: **large urban development zone, residential housing, offices, retail space**
 Number of units: **11,000**

SMÍCHOV CITY

Developer: **Sekyra Group**
 Start of construction: **September 2020**
 Planned end of construction: **1st phase – 2022**
 Type of project: **large urban development zone, residential and rental housing, offices, retail space**
 Number of units: **northern section – 400**

PRAŽSKÁ TRŽNICE

Developer: **N/A**
 Start of construction: **N/A**
 Start of construction: **N/A**
 Type of project: **revitalization of a complex with great potential for further development, retail space, offices**

ROHAN CITY

Developer: **Sekyra Group**
 Start of construction: **2021**
 Planned end of construction: **1st phase – 2023**
 Type of project: **large urban development zone, residential housing, offices, retail space**
 Number of units: **1st phase – 220, 2nd phase – 500**

MASARYČKA

Developer: **Penta Real Estate**
 Start of construction: **2021**
 Start of construction: **1st phase – 2023/2024**
 Type of project: **revitalization of a complex with great potential for further development, retail space, apartments**

FRAGMENT

Developer: **Trigema**
 Start of construction: **Q4 2020**
 Planned end of construction: **Q3 2022**
 Type of project: **rental housing, retail space**
 Number of units: **140**

HOLEŠOVICE

KARLÍN

NEW TOWN

SMÍCHOV

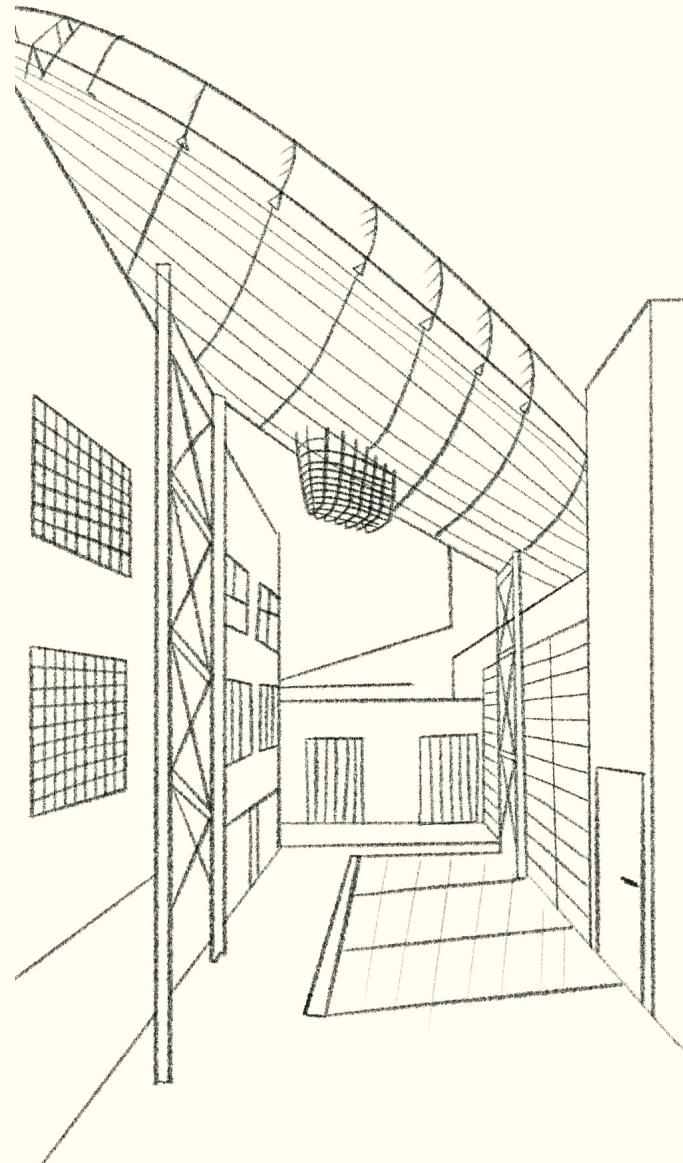
HOLEŠOVICE

A city within a city on 110 hectares and an administrative park on the banks of the Vltava River.

The Holešovice district perfectly illustrates that even smaller projects and reconstructed buildings can change the energy of micro-locations. One example is the recently approved Komunardů 35, which was designed by one of Prague's most creative architects, Stanislav Fiala. Another is the just completed reconstruction of the offices at Bubenská 1 and we can also mention Prague Marina, the revitalized Holešovický pivovar brewery, and the progressive DOX art space. Large-scale development awaits this part of Prague 7 as well.

In terms of the development of the wider center of Prague, Bubny is the most important area.

An extensive brownfield stretches between the Vltavská metro station and the Holešovice Railway Station. The subject of countless discussions spanning several decades,



the currently out of order Bubny – Zátory area definitely deserves to be revitalized not just due to its location and size (as big as Prague's Old Town). In terms of the development of the wider center of Prague, Bubny is the most important area. Transforming it would elevate the greater neighborhood both economically as well as culturally.



Photo: Müller Reimann Architekten/Pelčák a partner architekti

Recently, a proposed zoning study for the Holešovice – Bubny – Zátory area drafted by Pelčák a partner architects was the subject of heated expert and public discussions. The latest study from December will **preserve the block-like structure of Holešovice and its local monuments, while also taking into account the district's transportation infrastructure, public spaces, parks, and the philharmonic building on Vltavská.**

At the end of last year, Prague officials approved the changes to the zoning plan. The study will respect this new plan, which, besides the representatives of the affected city districts, landowners also had the chance to help shape. After the zoning plan will be approved—its public discussion is scheduled for the end of 2021—it will be possible to build here again and so construction would be able to start soon after. Providing everything goes according to these ambitious plans, this could mean development with a big “D”—a new neighborhood for up to 25,000 residents. In its northern section, administrative buildings will be mixed in amongst residential ones, creating workspaces for around 10,000 employees.



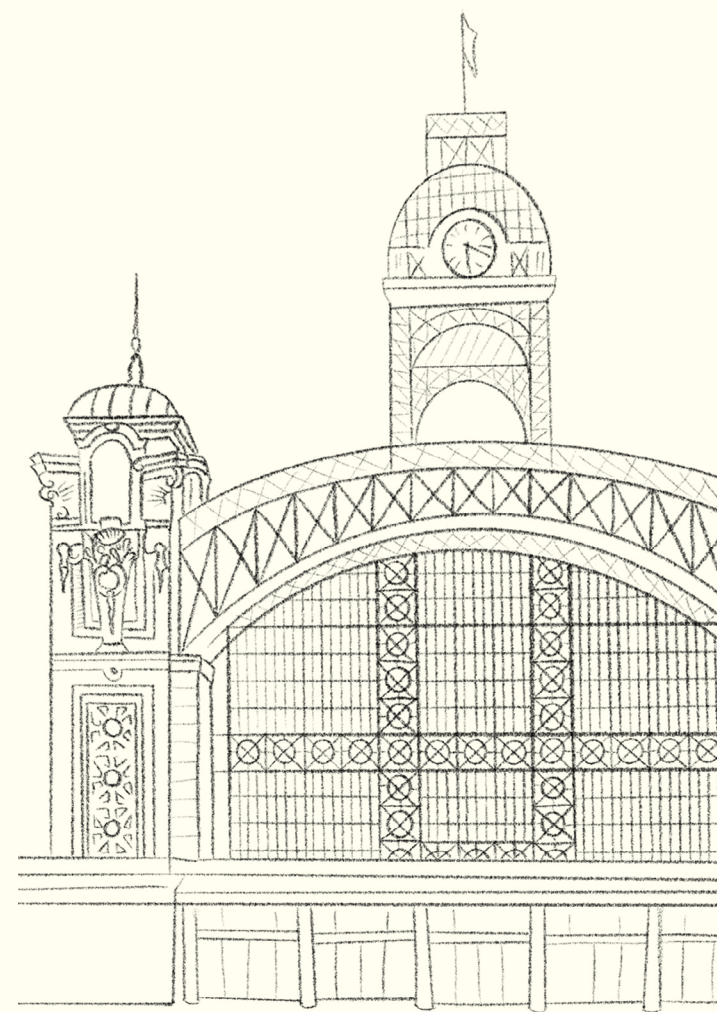
Photo: CMC architects

Another bold plan is the revitalization of the neglected Holešovice Market. The city would like to finance this initiative and so the CMC architectural studio created an original plan that will preserve the market’s industrial style while breathing new life into it with a fresh, modern overarching concept and clever approach to the individual spaces within it. **As things stand right now, the new market is poised to become a vibrant place that hosts events and activities alongside permanent shops, restaurants, and services, with trees and water features in the yard.**

The new Port7 office park is being built on the banks of the Vltava River, a place with a unique waterfront atmosphere.

Skanska is now turning its ideas into reality with its large-scale Port7 project **with a total area that stretches to 48,000 square meters.** Construction is scheduled to start this February and end sometime in the first quarter of 2023. This new office park on the banks of the Vltava River is designed by the DAM architekti studio, who

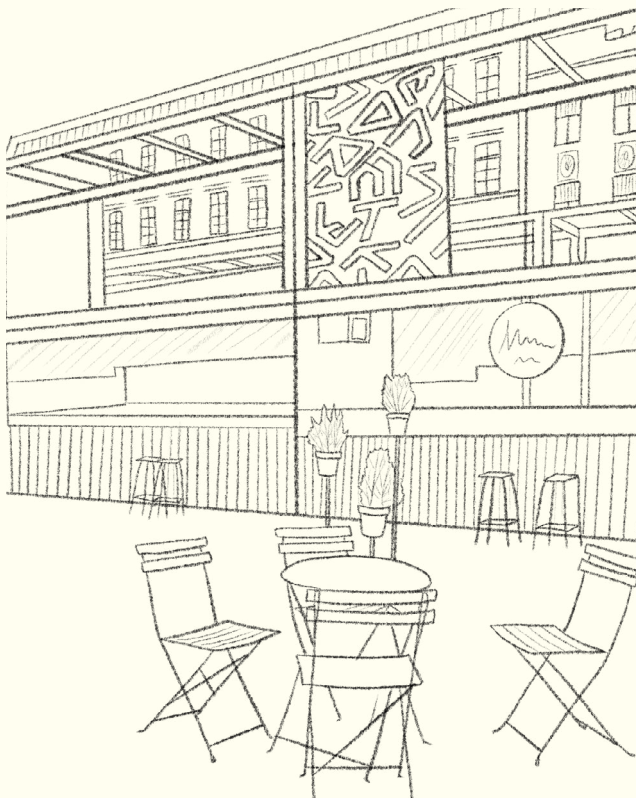
have emphasized its waterfront atmosphere. Besides three administrative buildings, the complex will also include shops, restaurants, services, a kindergarten, a park, and space for leisure activities. A renovated bike path leads all the way to the center.



NEW TOWN

A new access with a nod to the first lady of architecture.

Great changes are expected in New Town as well, specifically in the area around the Masaryk Railway Station. Here, Penta is planning to revitalize a brownfield that has the potential to connect New Town to Karlín and Žižkov.



The first phase of the vast Masaryčka multi-functional complex, designed by Zaha Hadid Architects, will be built over the course of 2021. The original design envisaged eight buildings from this world-renowned studio, but due to criticisms from elected politicians and the public the developer will have to rework the proposals and Zaha Hadid's grander plans will only be partially realized, specifically in the space between Na Florenci Street and the train tracks, where there will be two impressive office buildings. Last November, Penta announced an architectural-urbanist competition that will decide on the new design of the public space surrounding both buildings.

Penta has promised that at least 40 percent of the second phase of development will be given over to apartments.

In its current state, the area around the Masaryk Railway Station is an obstacle that impedes free movement around the city, especially due to the highway. In the past, there used to be gardens and a promenade where people once enjoyed

gathering and spending their free time. Inspired by the original layout, Penta's plans call for the restoration of the gardens, free access to Hybernská, Na Florenci, and Na Poříčí streets, boulevards, squares, and the reconstruction of the historic railway building in cooperation with the Czech Railway Administration. Moreover, the developer has promised that at least 40 percent of the second phase of development will be given over to apartments. The city center can therefore look forward to a new important thoroughfare that can add some energy to a location that has been lacking it for many years.



Photo: Penta Real Estate

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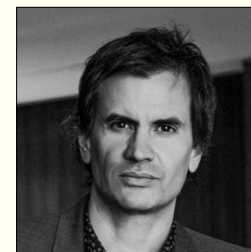
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The Rental Price Index by S&W + VŠE is an analytical tool that was created by the Svoboda & Williams real estate agency together with the Faculty of Informatics and Statistics of the University of Economics in Prague.

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