

REPORT Q4 2018

INDUSTRIAL PROPERTY MARKET

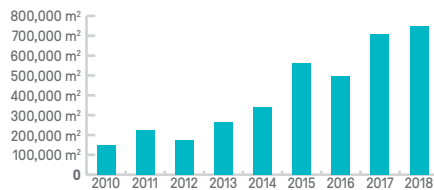
The constant increase in speculative projects has become a long-term trend in the Czech Republic. This can be seen as evidence of investor confidence in the further growth of the Czech market. Another common trend in 2018, which can confirm the rapidly growing market, is the full occupancy of industrial projects that are still under construction. However, even these measures cannot compensate for the demand and supply on the industrial market: demand is constantly increasing, while the supply of modern logistics parks is unable to reach its pace.

"The year 2018 was a very successful year for the Czech economy, for the industrial space market and also for us in 108 AGENCY. Demand comes across all sectors and all regions in the Czech Republic. A record number of areas were built and leased, logistics companies have full warehouses, production companies have full capacities. On the other hand, we are now facing up a low supply of vacancies and the growth of associated costs due to the low unemployment rate. Apparently, 2019 will slow the pace moderately, and so perhaps the opportunity to reflect on the effectiveness of individual activities and the introduction of technological innovations."

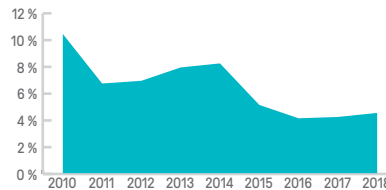
MARTIN ŠUMERA
Head of Industrial Agency



COMPLETED CONSTRUCTION

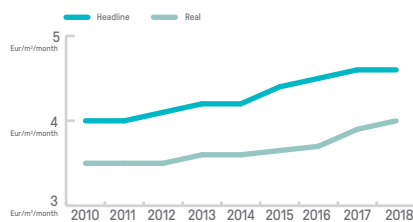


VACANCY RATE



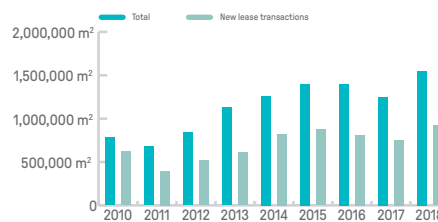
AVERAGE RENTS

(the average rent in the "A" segment is calculated)



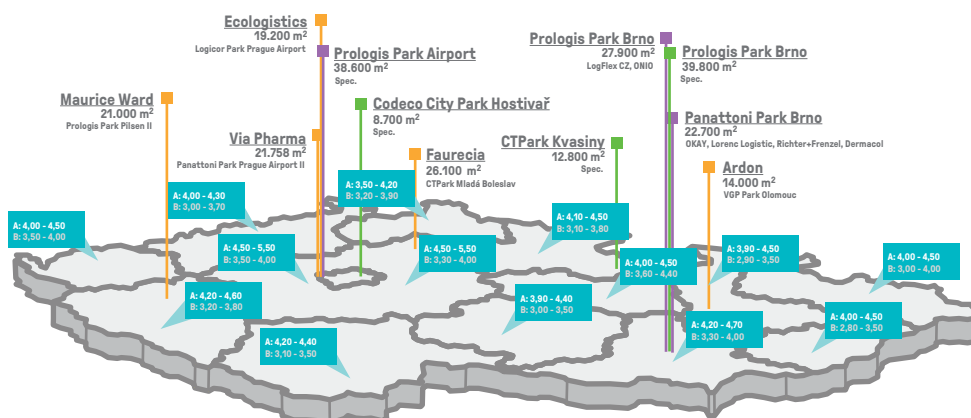
TAKE UP

("Total" includes all closed transactions in the "A" class segment)



SELECTION OF TRANSACTIONS AND CONSTRUCTION

■ significant transactions ■ new construction ■ completed construction



"A" CLASS PROPERTIES
7,900,000 m²

CONSTRUCTION COMPLETED
210,900 m²

UNDER CONSTRUCTION
485,340 m²

VACANCY
4.5 % [335,650 m²]

AVERAGE RENT

"A" CLASS
4.00 - 4.70 EUR /M²/MONTH

"B" CLASS
3.20 - 3.90 EUR /M²/MONTH

YIELD

"A" CLASS
6.2 %

"B" CLASS
7.3 %

UNEMPLOYMENT RATE
2.8 % [234,000 prs.]