

REPORT Q2 2019

INDUSTRIAL PROPERTY MARKET

The total volume of modern industrial space for lease exceeded 8 million square meters in the second quarter of 2019. We were able to observe still very active demand on the market, especially in established locations. But thanks to the low unemployment rate from the beginning of the year, even less favored regions, which can offer the workforce, come to the forefront. The market is beginning to show a slight slowdown in the automotive, which may affect future demand in this segment. Gross realized demand amounted to approximately 340,000 sq m in the second quarter.

"The current situation in the industrial real estate market demonstrates that if you're looking for premises around 20,000 sq m in size, there are not many alternatives in or around Prague. Our clients also recognize this trend and they are able to rent premises and offer flexible sublease contract, so they have guaranteed space for future expansion when needed. This, in turn, is an advantage for companies that need to meet the increased requirements for warehouse space in seasonal fluctuations."

MICHAL BARTHELL
Industrial Agency



"A" CLASS PROPERTIES
8,180,000 m²

CONSTRUCTION COMPLETED
95,000 m²

UNDER CONSTRUCTION
487,000 m²

VACANCY
4.7 % [381,000 m²]

AVERAGE RENT
"A" CLASS
4.10 - 4.80 EUR /M²/MONTH

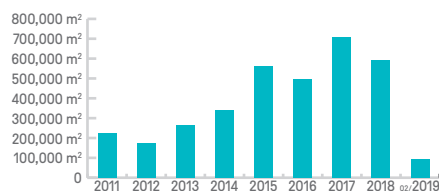
"B" CLASS
3.20 - 3.90 EUR /M²/MONTH

YIELD
"A" CLASS
5.9 %

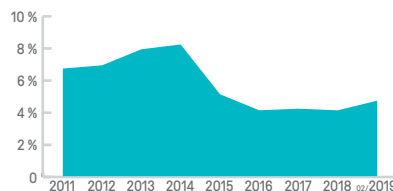
"B" CLASS
7.0 %

UNEMPLOYMENT RATE
1.9 % [159,000 prs.]

COMPLETED CONSTRUCTION

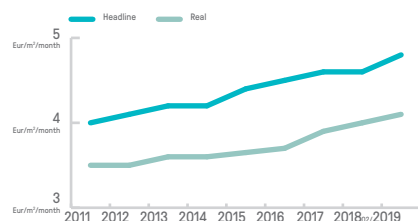


VACANCY RATE



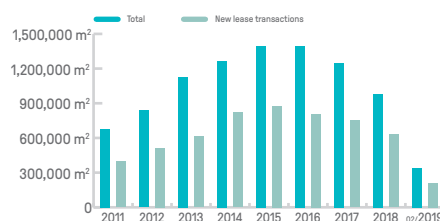
AVERAGE RENTS

(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

