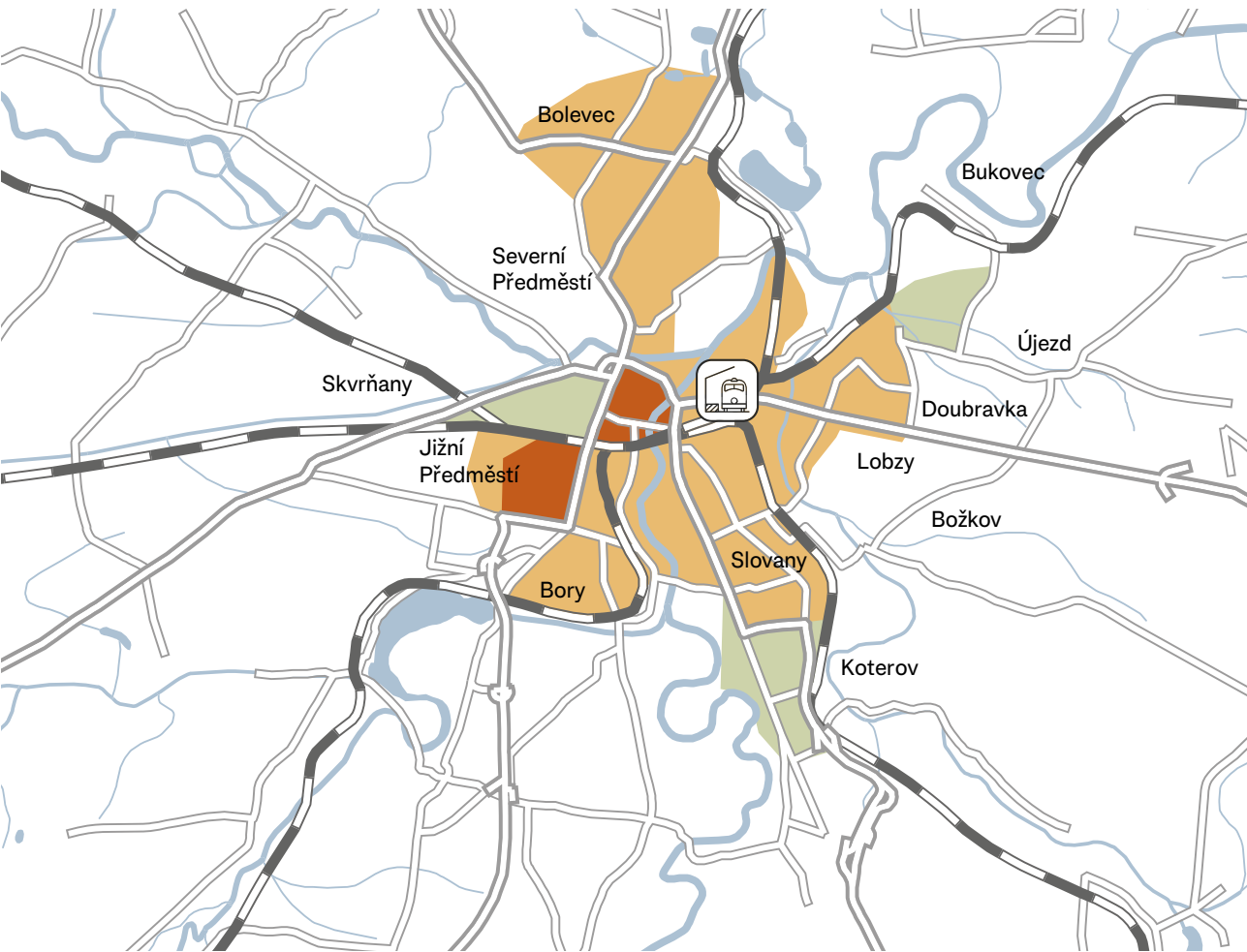




Pilsen | Czech Republic

Prices of residential investment



- ◆ Prime location
37 000 – 65 000 CZK/sqm
- ◆ Good location
31 000 – 45 000 CZK/sqm
- ◆ Average location
28 000 – 37 000 CZK/sqm



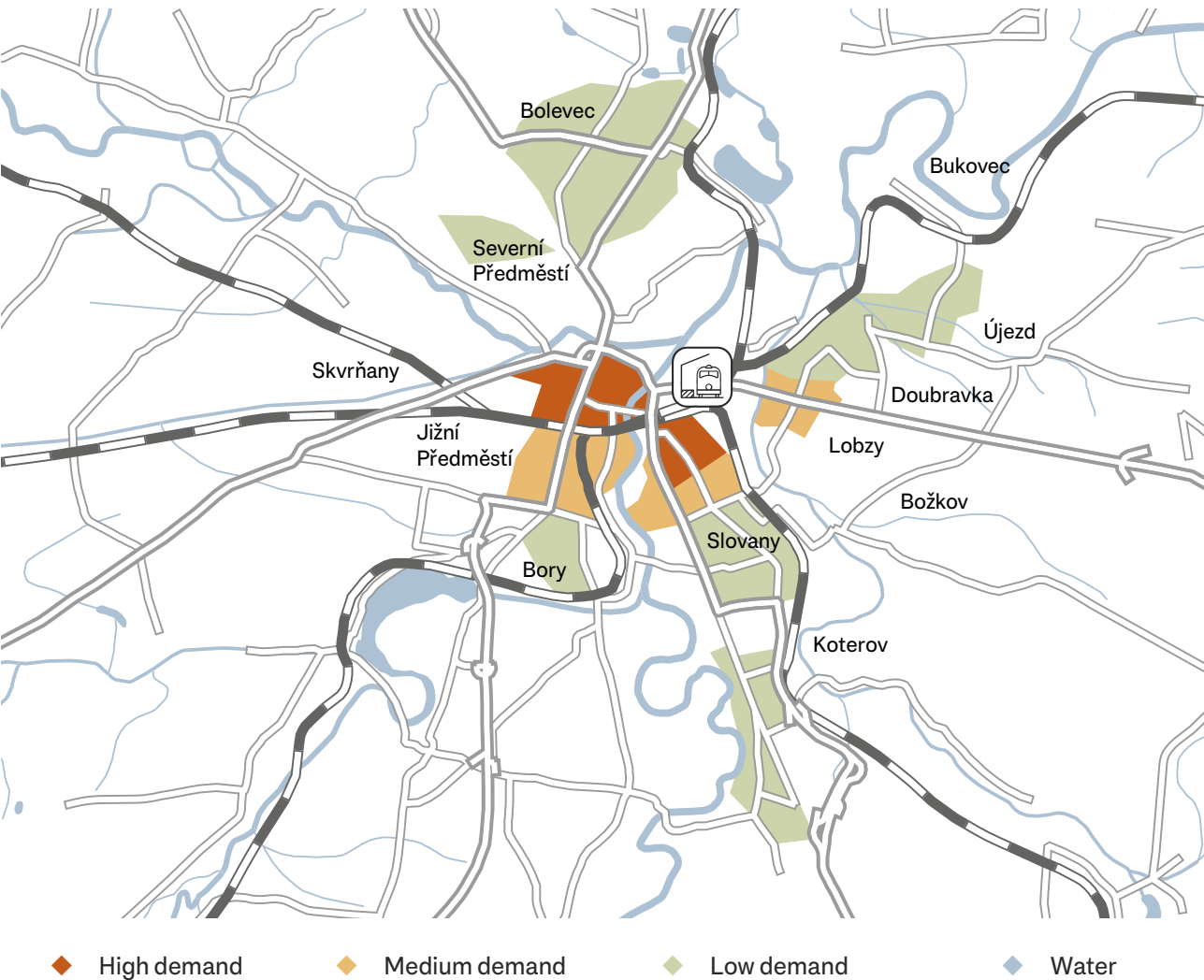
Ing. Tomáš Levinský
Head of Residential and Commercial Investment

2023 led to a partial recovery of the real estate market, mainly thanks to buyers who were happy to take advantage of the relatively more favorable prices as compared to a few years earlier, and who had access to cash. Presently, the standard expected return on investment properties is between 5-6 % for apartment buildings, and 6-8 % for office buildings. Investors are currently showing greatest interest in renovated homes in good locations, and in purchasing buildings with small residential units. In the case of development

projects, investor interest remains lower due to continuing high construction costs and interest rates, especially for projects that don't have the required permits; when a positive zoning decision, and ideally a building permit have been issued, the chances of a sale increase significantly. At the moment, the commercial real estate market lacks momentum. Both sellers and buyers are putting plans on hold right now. Realizing a sale is possible, however, if the seller takes advantage of a good market value evaluation, and subsequently sets the price at the property's true market value right from the beginning. True market prices are currently hovering e end of 2020, and we do not expect a significant change in the coming months. However, within the timeframe of a few years, we are preparing for a significant market recovery, and a rise in prices. For this reason, it appears that now is a good time to invest in commercial real estate.

Commercial space

Demand for commercial space



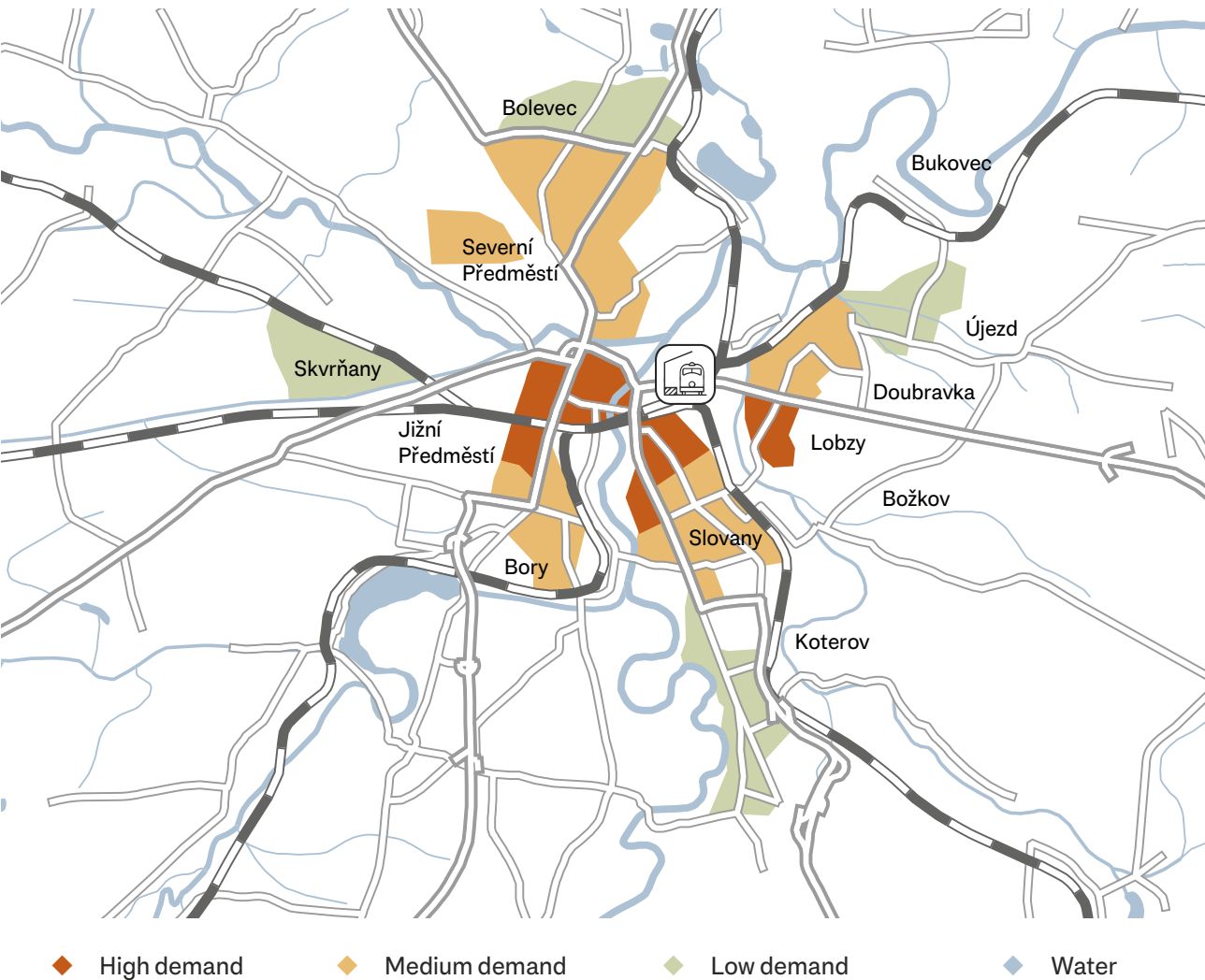
Rents of commercial space in Pilsen CZK/sqm/month

	2023	2024	Trend
Office space	130 – 200	140 – 280	↗
Retail space	150 – 230	150 – 300	↗
Warehouse/Production	80 – 110	100 – 130	→



Residential space

Demand for residential space



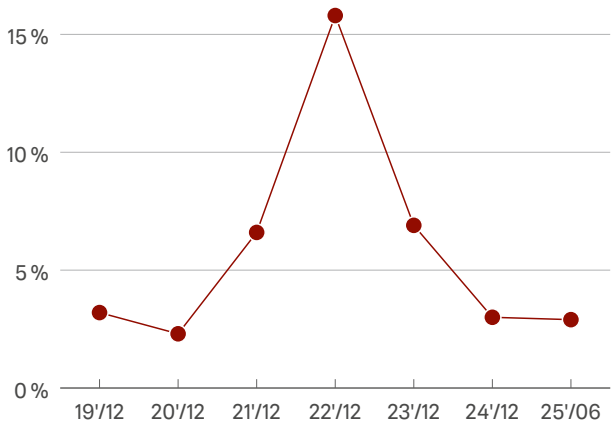
Rents of residential space in Pilsen CZK/sqm/month

	2023	2024	Trend
Residential space	150 – 250	200 – 330	↗

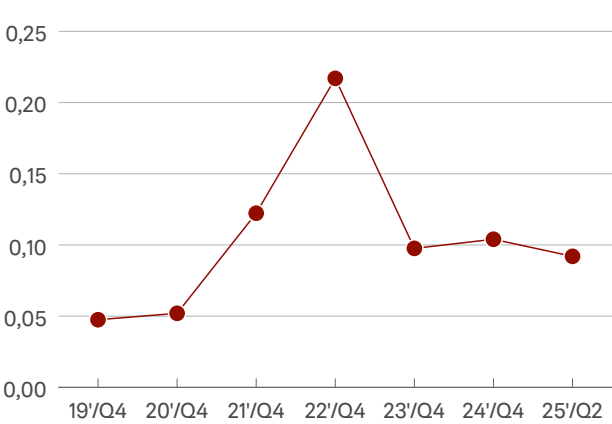


Trends & statistics

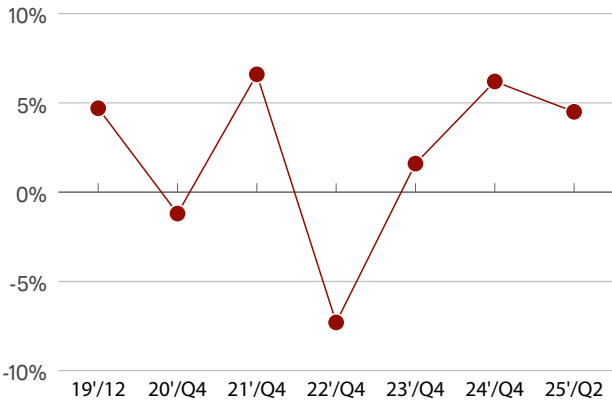
Czech Republic Inflation, 2018-2024
(Yearly Basis)



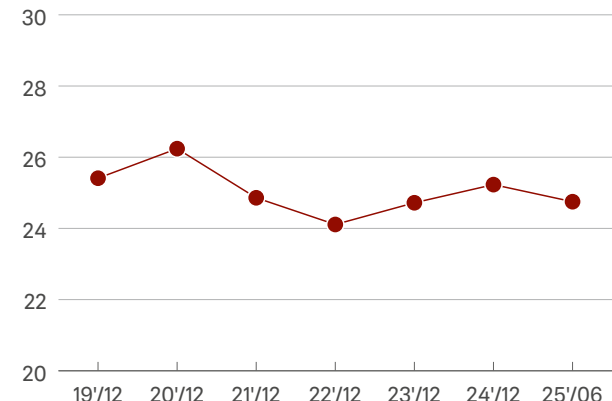
Electricity prices, 2018-2024
(EUR per kWh, end of quarter)



Retail sales growth, 2018-2024
(year-on-year as of the end of quarter)



EUR / CZK Chart of foreign exchange rates, 2018-2024
(end of month)



Katarína Pokrupová

Head of Commercial Rentals Engel & Völkers Commercial

By the end of 2023, the Pilsen, rental market stabilized considerably, and the beginning of 2024 brought a gradual increase in demand for both the usual non-residential properties and, in particular, residential premises. The commercial rental segment is currently being mainly driven by the rental of small and medium-sized offices for small and medium-sized

entrepreneurs. Within the business segment, we recorded the highest demand mainly for premises for various kinds of service-providers. In the second half of 2024, we also noted a growing interest in premises intended for the gastronomical services.

Regarding the residential rental segment, prices per sqm are now increasing; the two main reasons are 1) the construction of new residences as well as the renovation of existing buildings to a high standard, and 2) the reduction in the troubling energy prices of the previous year brought with it a reduction of the pressure on owners to keep rents low, thus ultimately allowing rents to go up.

We feel optimistic about the end of 2024 and the first half of 2025, and if neither sector is hit by unforeseen challenges, we expect to see an increase in demand- and thus prices -in all rental segments.

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All information has been compiled with the greatest possible care. The provided information regarding the site and market development refer to: Population (31.03.2024, CZSO), purchasing power (2023 GfK An NIQ Company). We cannot accept any liability for the accuracy and completeness of this information. We shall not be held responsible for damage of any kind whatsoever incurred either directly or indirectly through the use of this information, with the exception of liability for intent or gross negligence.

Last update of information and data published: August 2024. Duplication only with reference to source. Source: Engel & Völkers Residential GmbH

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