

CZECHTRADE IRELAND

REAL ESTATE/PROPERTY THE CZECH REPUBLIC NEWSLETTER

Key Trade Shows in the Czech Republic

<u>RESIDENTIAL PROPERTY IN THE CZECH REPUBLIC</u>	<u>2</u>
<u>OFFICE MARKET AND OPPORTUNITIES</u>	<u>4</u>
<u>INDUSTRIAL PROPERTY MARKET IN THE CZECH REPUBLIC – GENERAL INFORMATION</u>	<u>5</u>
<u>PROPERTY DEVELOPMENT PROJECTS</u>	<u>7</u>
<u>KEY TRADE SHOWS IN THE CZECH REPUBLIC IN 2005</u>	<u>8</u>

Residential Property in the Czech Republic

The Czech Republic and especially Prague became one of the popular places for Irish property investors and their activities. For a foreigner, the most common method of acquiring property in the Czech Republic is to set up a limited liability Czech company and acquire the property through this new company.

It is recommended to employ a real estate agent and get legal advice from an experienced lawyer in the process of both selecting the property and establishing the Czech company.

Residential market in Prague. The cost of purchasing a **new or reconstructed residential property** vary hugely depending on the **location** - e.g. city centre area 60 000-150 000 CZK per sqm, other areas 40 000 - 75 000 CZK per sqm.

When investing in residential property in Prague, you can expect a **yield** of app. 6%.

If you are to rent an apartment or house, it is also advisable to hire a real estate agent, as they dispose of large portfolio of properties you can select from.

Rent levels for a „good quality“ apartment are again sensitive to location and size of the property: centre 10-15 EURO /sqm/month, other districts 6-10 EURO/sqm/month.



Other location to consider

a) popular tourist places like Cesky Krumlov (UNESCO heritage town, www.ckrumlov.cz), spa town Karlovy Vary (www.karlovyvary.cz) or locations in protected landscape areas or national parks (Krkonose www.krnep.cz, Sumava www.npsumava.cz).



b) growing towns with strong inflow of foreign direct investments (namely Pardubice, Plzen and Brno).

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Setting up company on-line:

To set up company in the Czech Republic go to www.companies.cz or approach any lawyer experienced in company law.

Taxes in the Czech Republic:

For info about taxes, please visit www.pwcglobal.com/cz.

Maps of the Czech Republic:

For detailed maps of Czech Republic, Prague and other major cities please go to <http://mapy.idnes.cz> or <http://mapy.atlas.cz>.

Irish developer and real estate agencies:

Several Irish owned real estate agencies and developers are active in the Czech Republic.

Lexxus a.s.
Panska 6/895
110 00 Praha 1
Czech Republic
Tel.: +420 224 812 611
Fax: +420 224 814 477
Email: info@lexxus.cz

www.lexxus.cz

Simply s.r.o.
Burzovni palac, Rybna 14
P.O.Box 56, 110 05 Praha 1
Czech Republic
Tel.: +420 227 316 222

Fax: +420 227 316 444
E-mail: simply@simply.cz

www.simply.cz



Office Market and Opportunities

Rents hugely vary for new or refurbished office space and for unrefurbished one. Also location and accessibility by public transport plays an import role in the amount you will be paying for your office. Rents are usually denominated in euros. For new and refurbished office you can expect to pay 15-22 EURO/sqm/month in the city centre, 9-17 EURO in other districts and 8-14 EURO on the outskirts of Prague. Generally, this amount does not include service charges which are paid separately and vary between 1 to 3 EURO/sqm/month.

When investing into commercial space, you can expect a yield of 7-10.5% depending on the location and lease terms. Several new warehouses and logistics parks were built recently on the outskirts of Prague mainly close to the highway, rents for modern warehouse development reach 4.5 - 5.6 EURO/sqm/month. Many industrial zones have recently been introduced all over the Czech Republic, for more info about them, please see the www.czechinvest.org.



For more

www.cbreczech.cz
www.colliers.cz
www.joneslanglasalle.com

and download some of their recent market reports.



Industrial property market in the Czech Republic – general information

Industrial properties:

There are many of industrial zones in the Czech Republic These zones offer land with infrastructure and are often prepared with the support of various state programmes and in co-operation with local authorities. There are about 200 industrial parks and about 50 production halls.

Industrial zones and production halls

Average price per sq m (10 sq ft): 6 – 8 EUR
Size of one site: 2 ha to 360 ha
Most attractive areas: along motorways and main roads
Current situation: lack of speculative development of production halls
Source: www.czechinvest.org - on-line database

Warehouse premises

Most warehouse premises are situated at Logistic and business parks near motorways and around regional centres. There is about 700,000 sqm of warehouse premises and nearly 350 000 sq m is under construction.

Price per sq m :	Best quality	Remainder
Prague	5,00 – 5,30 EUR	3,80 – 4,00 EUR
Other cities	3,80 – 4,10 EUR	2,50 – 3,50 EUR
Pre-least	4,75 – 5,00 EUR	



Vacancy rate: Best quality 5% and Remainder 25%
 Yields: 10%
 Trends for year 2003: Sustainable rents
 Source: Colliers International, Jones Lang LaSalle

For latest reports please go to: www.cbreczech.cz, www.colliers.cz or www.joneslanglasalle.com.

Who to contact:

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 CzechInves
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 M&M Development
 Email: jbmoriarty@eircom.net



Mr. Paul McHale

McHale Engineering Ltd. (developer of manufacturing/warehousing park on major highway D1, close to city of Humpolec)

Ballinrobe

Co. Mayo

Ireland

Tel.: +353 94 952 0300

Fax: +353 94 952 0356

Email: paulmchale@mchale.net

Property Development Projects

Irish property developers interested in larger scale project are advised to consult specialist in this area:

Mr. Petr Allen

Mobile: 087 657 3725

Email: peterallen@email.com

Mr. Pat Collins

The Cicovice Project

Mobile: 068 812 3132

Email: patlenka@eircom.net

Key Trade Shows in the Czech Republic

KABO/STYL - International Fashion Fair and Fair of Footwear and Leatherware
February

OPTA - International Fair of Eye Optics and Ophthalmology
February

SALIMA - International Food Fairs

- SALIMA - International Food Fair
- MBK - International Milling Industry, Bakery and Confectionery Fair
- INTECO - International Fair of Equipment for Retail Trade, Hotels and Catering Facilities
- VINEX - International Wine Fair
- ProBiz - Suppliers Forum of Fast Moving Consumer Goods

March

Furniture, Home Textiles, Interior Accessories and Children's Products

- MOBITEX - International Fair of Furniture, Home Textiles and Interior Accessories
- DOMO - International Fair of Household Articles
- PRODITE - International Fair of Children's Products

March

Agricultural Technology, Veterinary and Forestry and Hunting Fairs

- TECHAGRO - International Fair of Agricultural Technology
- animal VETEX - International Veterinary and Livestock Fair
- SILVA REGINA - International Forestry and Hunting Fair

March

AMPER - International Trade Fair of Electrotechnics and Electronics

March

Building Fairs Brno

- IBF - International Building Fair
- SHK - International Trade Fair for Sanitation, Heating, Airconditioning and Building Automation
- ELEKTRO 2004 - International Trade Fair of Electrical Equipment and Lighting Technology
- ENVIBRNO - International Environmental Fair

April

Security, Fire Fighting and Protective Equipment

- PYROS - International Fair of Fire Fighting Equipment
- INTERPROTEC - International Fair of Personal Protective Equipment, Health and Safety at Work

May

Welding, Foundry and Textile Technology

- WELDING - International Welding Engineering Fair
- FOND-EX - International Foundry Fair
- TEX-TEC - International Fair of Textile Technology

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May

FOR ARCH 2004 - the International Construction Fairs

September

Engineering and Machine Tools Fair

- MSV - International Engineering Fair
- IMT - Machine Tools Fair

September

Health, Medical, and Rehabilitation Technology

- HOSPImedica - International Fair of Medical Technology and Pharmacy and International Fair for Rehabilitation, Prosthetics and Health

September

INVEX - International Fair of Information and Communication Technology

October

AQUA-THERM Prague

- The international trade fair of Heating Technology, Air-conditioning, Sanitary, Environment Protection Technology, Measurement and Regulation

November