

INVESTMENT OPPORTUNITIES

# The Regions of Opportunity



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**Brownfields – Make the Best Out of Grants**

Last update: September 2008

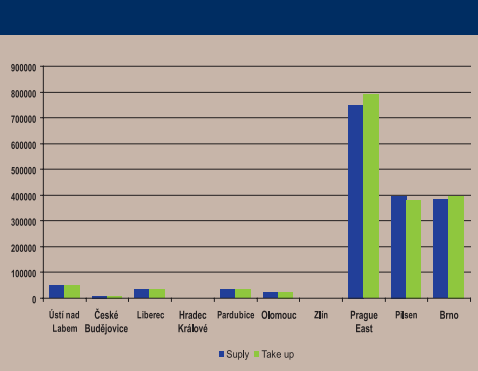


# Investment Opportunities – Real Estate Market

The take-up and supply graph clearly shows that the regions described in this brochure are still waiting for their chance, as they have been outside investor's and developers' interests over the last few years. This is going to change rapidly in the very near future and these regions' share of the real estate market is expected to rise steeply.

“Vicious circle” is perhaps the most fitting expression to describe the current situation of the real estate market in the Czech Republic. Yet it still offers a lot of very interesting investment opportunities. How is this possible? There is a well-functioning market in office space and industrial and logistics parks in Prague and some other major Czech and Moravian cities, including Brno, Ostrava or Plzeň. However, investors today also have plans for other Czech and Moravian regions. Regions with university cities are very attractive for investing in technological centres and business shared services centres. As new kilometres of highways are built, investors in industry and logistics are increasingly shifting their interest to areas that have long been neglected because of poorer transport accessibility.

The take-up and supply graph in regions in the CR

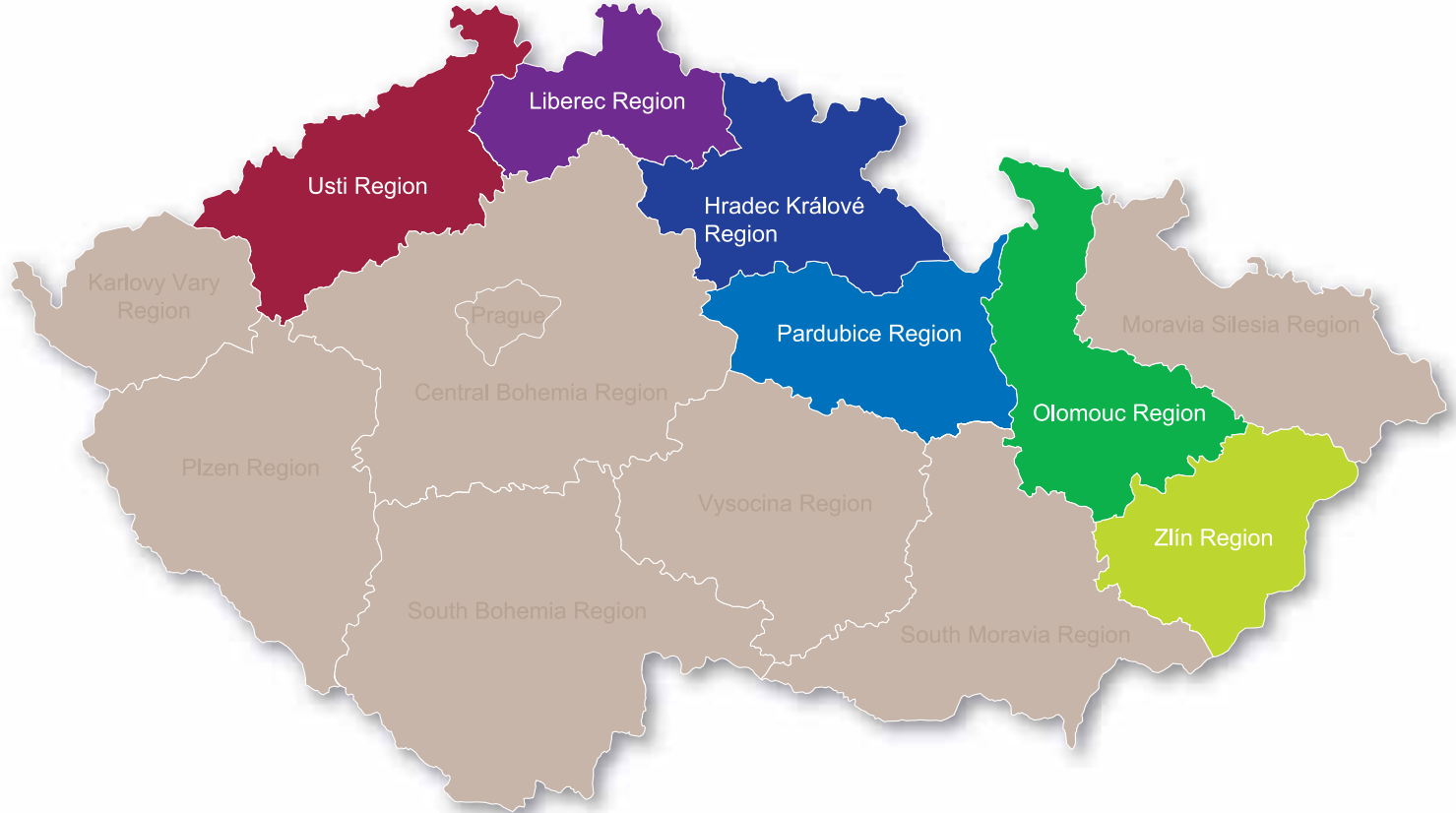


Unfortunately, there is a lack of class A office space and a lack of industrial premises and logistics halls available for rent on the market in those locations. There are still many regions in the Czech Republic where CzechInvest is practically unable to offer any business property to those who are interested. It should be noted in this context that there is enormous interest among investors to acquire good office space in cities such as Olomouc or Pardubice.

It is a vicious circle: developers are reluctant to undertake the risk of building good space for rent in the regions and, on the other hand, there are investors who are forced always to change their plans because of the lack of available office and business space.

The following pages offer a unique insight into the Czech real estate market showing you the regions of opportunity, the places where investors are eagerly awaiting new developmental projects.

Source: www.czech-industrial.com Cushman & Wakefield  
Czech Republic 1998 - 2007



# Ústí Region

## Ústí Region



The Ústí region is part of the fourth Trans-European multimode corridor spanning Berlin-Děčín-Prague-Bratislava-Sofia-Istanbul. The region connects three transport lines: D8 highway Prague-Ústí nad Labem-Dresden-Berlin-Hamburg; railway line corridor 090/815 Prague-Děčín-Berlin and the Labe (Elbe) waterway.

- The Ústí region lies in Northwest Bohemia and shares a border with Germany.
- The region's area is 5,335 sq km.
- The population is 831,180 (8.0% of the population in the Czech Republic).
- The Ústí region is an industrial site with a great tradition in construction, mining, power engineering, glass blowing and chemical industries.
- The Ústí region is an attractive destination for foreign investors due to its economic and management base, further development potential, sufficient capacity of skilled labour and favourable conditions for the Czech government's system of investment incentives.



### Ústí Region A-Class Office Space Overview

Location	area	year	rent
CPI City Centre	5,300 sq m	2009	Available
Palác Jordán	1,800 sq m	2007	Available



# Liberec Region



- The Liberec region is situated in the north of the Czech Basin.
- The region's area is only 3,163 sq km.
- The population of the Liberec Region is 433,948 (4.2% of the population in the Czech Republic).
- The region's potential is in cluster initiatives growing from local traditional activities, supplies of raw materials for glassmaking and the construction industry.

The Liberec region is well connected to the rest of the country via a fairly comprehensive road network. The four-lane R10 and I/35 divided highways link Liberec to Mladá Boleslav and Prague. The northbound section of the I/35 connects Liberec to the German border and the planned upgrade of the southeast section leads to Hradec Králové.



Liberec Region  
A-Class Office Space Overview

Location	area	year	rent
Polyfunkční dům	900 sq m	2008	Available
Elite Office Park	6,200 sq m	2008	Occupied



# Hradec Králové Region

Hradec Králové Region



The Hradec Králové region has an extensive road and railway network with regional, inland, and international links – especially connections with Poland. The railway junction is at Hradec Králové. The D11 motorway connects Hradec Králové with Prague, where is an international airport.

- The Hradec Králové region is located in Northeast Bohemia.
- The region's area is 7,758 sq km.
- The population is 552,212 (5.3% population of the Czech Republic).
- The major fields of manufacturing are textiles and general engineering industries; medical technology, pharmaceuticals, IT and electrical engineering, automotive, food, glass, chemical industries and plastic-materials production.



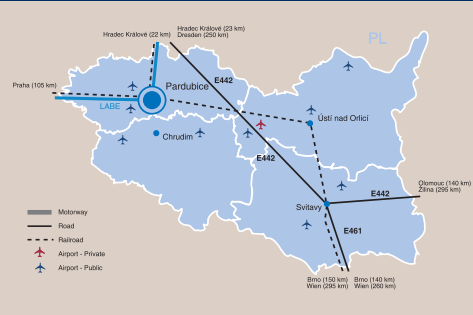
Hradec Králové Region  
A-Class Office Space Overview

Location	area	year	rent
Mera	4,200 sq m	12 months after prelease	
Nový pivovar	0,000 sq m	2007	Occupied
Vrchlického	1,000 sq m	2006	Available
Technology Centre	2,817 sq m	2008	Available



## Pardubice Region

Pardubice Region



The region's economic prosperity is influenced, among other things, by the fact that two major European railway corridors run through it (Berlin-Dresden-Prague-Brno-Vienna and Nuremberg-Plzeň-Prague-Ostrava-Warsaw). The realised project of the construction and modernization of both railway and highway (D11) connections benefits the region enormously. Air and river transport are also available.

- The Pardubice region is located in eastern Bohemia.
- The region's area is 4,519 sq km.
- The population of the Pardubice Region is 511,400.
- The region's economy is based on the tradition of the industry, and on commercial and public services. The structure of industrial production is varied. General engineering is the strongest industrial branch in the region, followed by chemical, electronics, machinery and textile industries. Industrial plastics and nanotechnology clusters have been created in the region. At present, CzechInvest agency is studying possibilities for building clusters in the areas of tool making and electrotechnics.

Abundant agricultural production is counterbalanced by a well-diversified and expanding industrial tradition.

Thanks to the good infrastructure and highly educated and skilled population, there is increased interest from foreign investors in opening their businesses in the industrial zones that have been set up near the major towns.



Pardubice Region  
A-Class Office Space Overview

Location	area	year	rent
Magnum	3,000 sq m	2008	Occupied
Pyramida	3,500 sq m	2006	Occupied
TechnoPark	4,500 sqm	2008/2010	Available
Vinice	4,820 sqm	2009	Available
Polyfunkční dům	1,760 sqm	2009	Available



# Olomouc Region

## Olomouc Region



This region has two high-speed road connections—the R46 highway, which links up with the Prague-Brno D1 in Vyškov and the R35 divided highway, which ends abruptly at Mohelnice. Moreover, the R46 and R35 intersect in Olomouc city. A bypass to handle through traffic has recently been built. The northern half of the region is serviced by two first-class roads: the north-south I/44 (Mohelnice-Šumperk-Jeseník) and the east-west I/11 (Hradec Králové-Šumperk-Ostrava). In Píseň, there is a very important rail junction and a crossing of two international high-speed train lines.

- The Olomouc region is situated in north-central Moravia.
- The region's area is 5,267 sq km.
- The population of the Olomouc Region is 641,791 (6.2% of the population in the Czech Republic).
- Garment, machinery and electronics industries are of the utmost importance. There are clusters in the car making and garment industries, as well as nanotechnologies and information technologies in the Olomouc Region.



## Olomouc Region A-Class Office Space Overview

Location	area	year	rent
CPI City Centre Olomouc	6,000 sq m	2010	Available
Regional Center Olomouc	25,000 sq m	2003	Occupied



## Zlín Region

### Zlín Region



The importance of the region's transport is evident in the fact that its main transport route, the so-called Pomoravský Corridor, has been included in the ten European Pan-European transport corridors that continue in the TEN network (Trans-European Networks) within the EU countries. Currently, the region is connected to the highway network by 1st-class roads. The region has three civilian airports: Kunovice, Otrokovice and Holešov. The airport in Kunovice is used for international transport from Hanover via Kunovice to Timisoara.

- The Zlín region is located in the southeastern part of the Czech Republic.
- The region's area is 3,963 sq km.
- The population of the Zlín Region is 590,780 (5.7% of the population in the Czech Republic).
- The current industrial potential of the region is based on the existence of the formerly crucial machinery manufacturing companies. Enterprises in the manufacturing industry, aircraft industry and particularly in the area of plastics and rubber are quite important, followed by the metallurgy and metalworking industry, electrical industry, general machinery, the chemicals industry and the food processing industry. Several industries (e.g. footwear made famous by the world-renowned shoemaker Baťa) have a long history in the Zlín region.

The region is famous for its deposits of building materials, the most important of which are gravel sands. Deposits of building stone, limestone, loam and, to a lesser extent, oil and natural gas, are important as well.



### Zlín Region A-Class Office Space Overview

Location	area	year	rent
Polyfunkční dům	4,260 sq m		Occupied



# CzechInvest – Your Partner on the Real Estate Market



## **Our Services:**

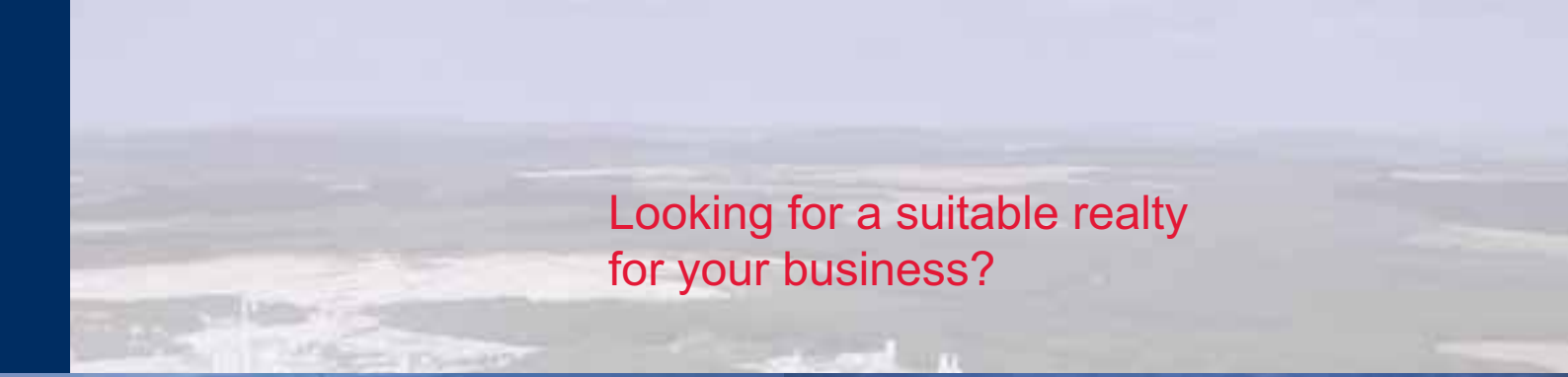
- Assistance in applying for financial support from EU and national funds
- Providing information on the real estate market
- Preparing business property offers tailored to our clients' requirements
- Managing extensive databases of business properties in the Czech Republic
- Arranging contacts to property owners, government bodies and local authorities
- Tailor-made visits to recommended sites
- Promoting business properties
- Promoting brownfields as investment opportunities

## **Our Clients:**


- Investors
- Developers
- Business property owners
- Governmental bodies
- Local authorities

## **Our Business Properties:**

- Industrial zones and business parks
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- Technology centres
- Science and technology parks
- Office buildings
- Brownfields



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