



*Source: GoogleEarth*

# Czech Republic Market Overview

# An Introduction to DTZ

- DTZ offers a comprehensive range of services and fully integrated property advice throughout the world.
- DTZ's network provides an unrivalled depth of expertise - 40 countries, 200 offices, 10 000 employees
- DTZ has 31 property professionals who can advise on a range of commercial property disciplines in the Czech Republic and Slovak Republic.
- These core disciplines include Tenant Representation, Landlord disposal, investment sales and purchases, research, valuation, and property management.

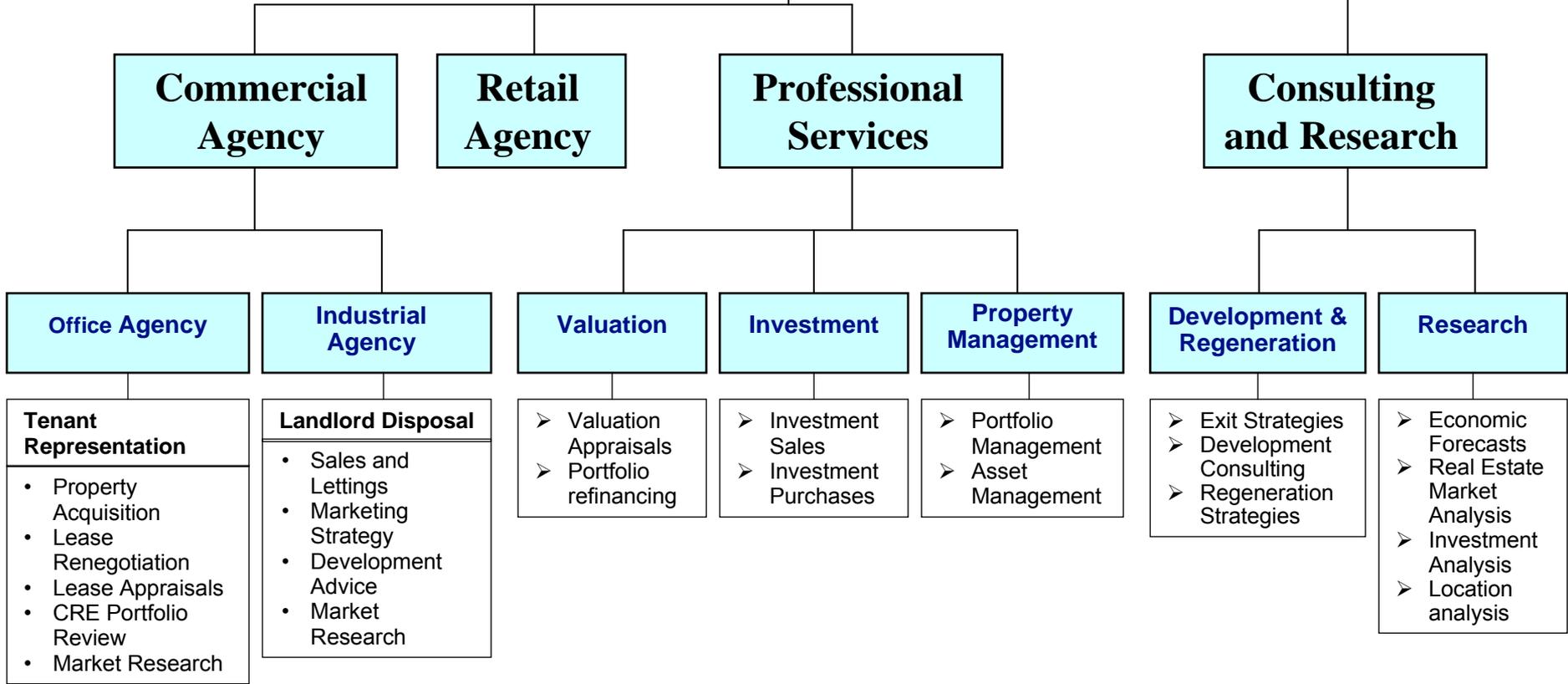


## Did you know?

DTZ dates back to 1756.

DTZ is quoted on the London Stock Exchange.

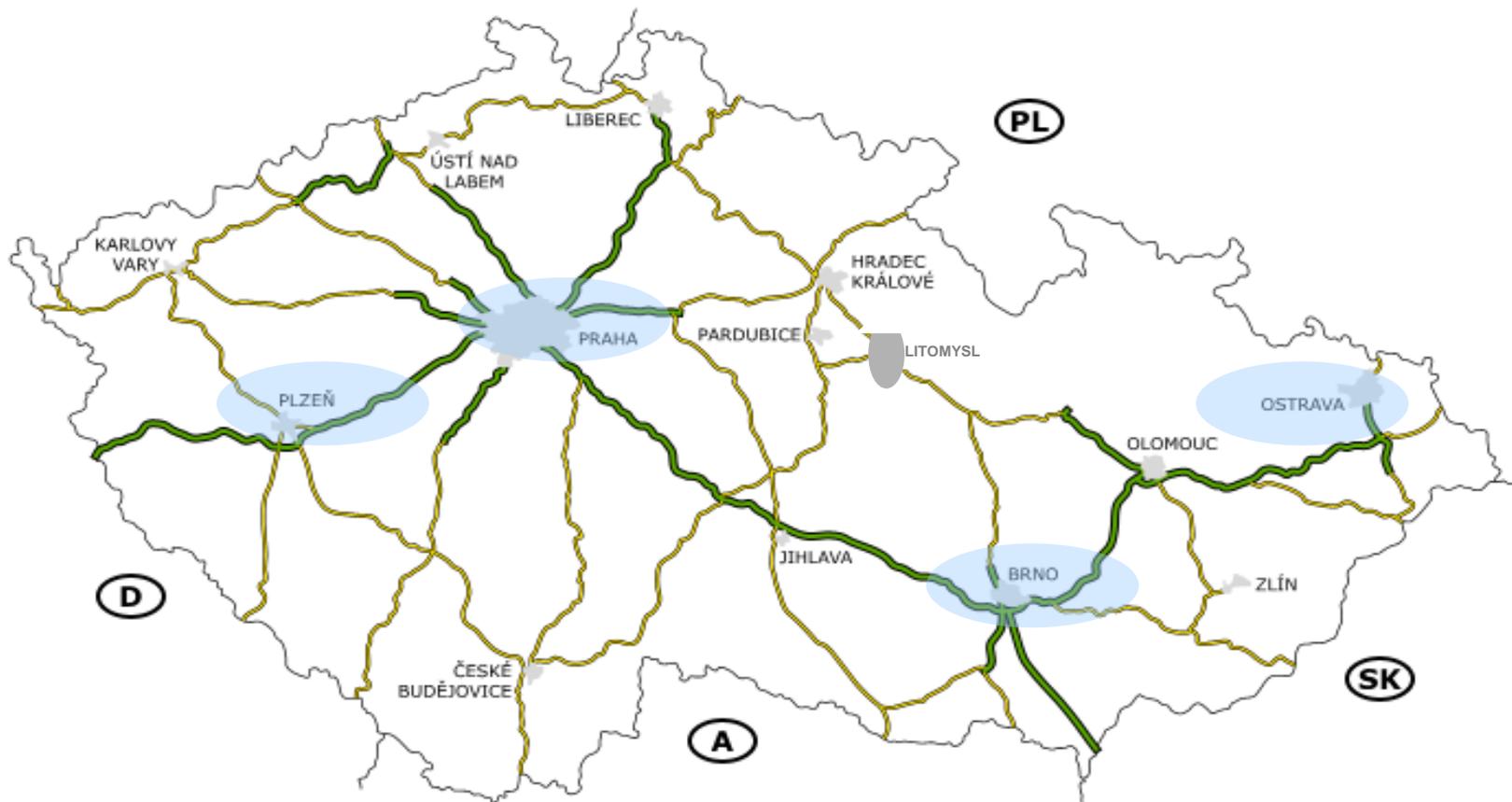
DTZ Prague has been active since 1992 and presently employs 31 full time staff.



# The Office Market



# The Markets



## Prague Office Market – The Headlines

Total Office Stock end of 2006

**circa 2 million sq/m**

Total Office Take Up Prague 2006

**285,000 sq/m**

Vacancy Rate Q4 2006

**7.7%**

Prime CBD Rental Levels

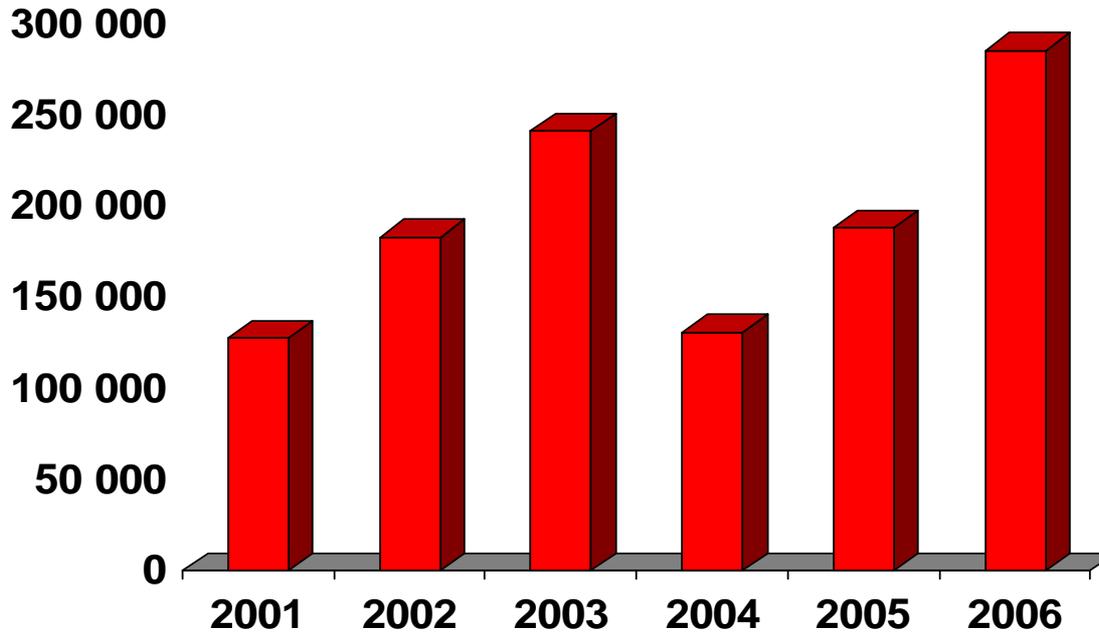
**17.5-19.5 EUR per sq/m per month**

Prime Edge of Centre / Mid-Town rental levels

**14-16 EUR per sq/m per month**

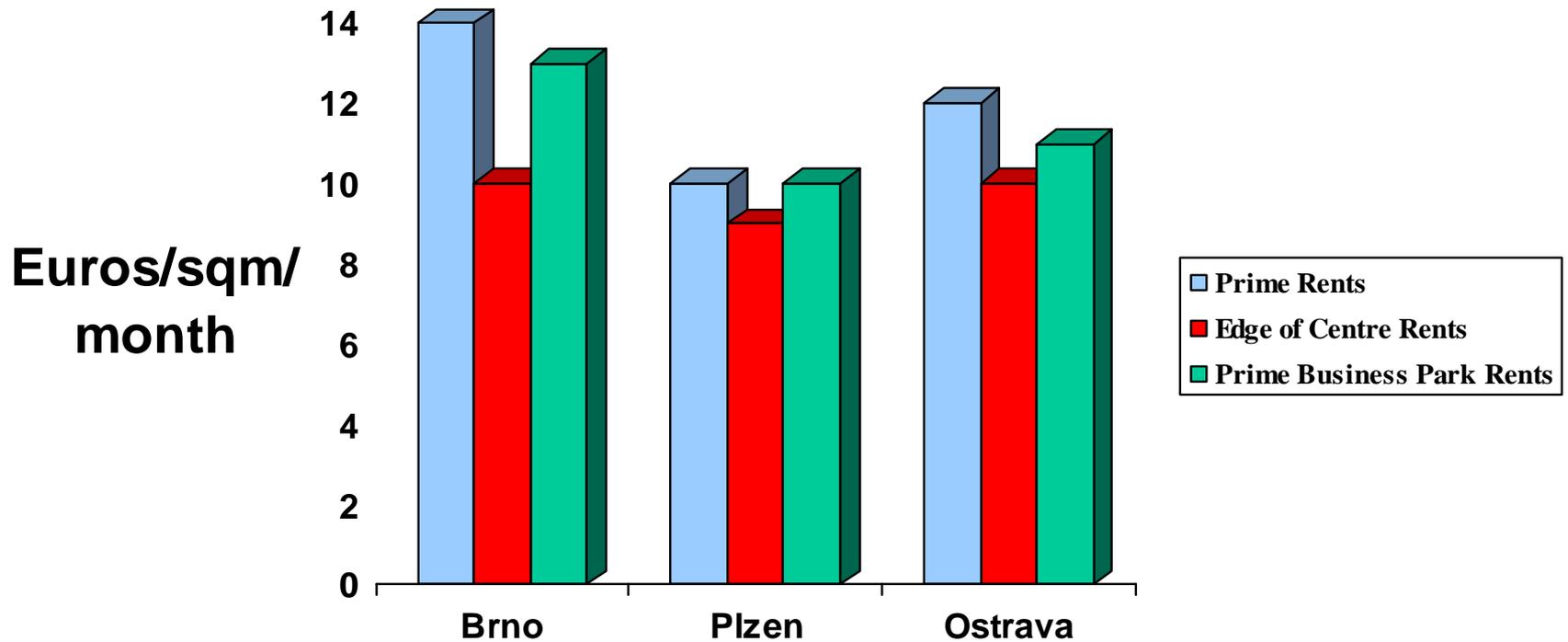


## Office Demand – Recent Annual Occupier Take Up in Prague



- 48% of 2007 new development supply already leased

## Regional Office Market



Total office stock in 2006: 200,000 sq m

New supply in 2007: 105,000 sq m

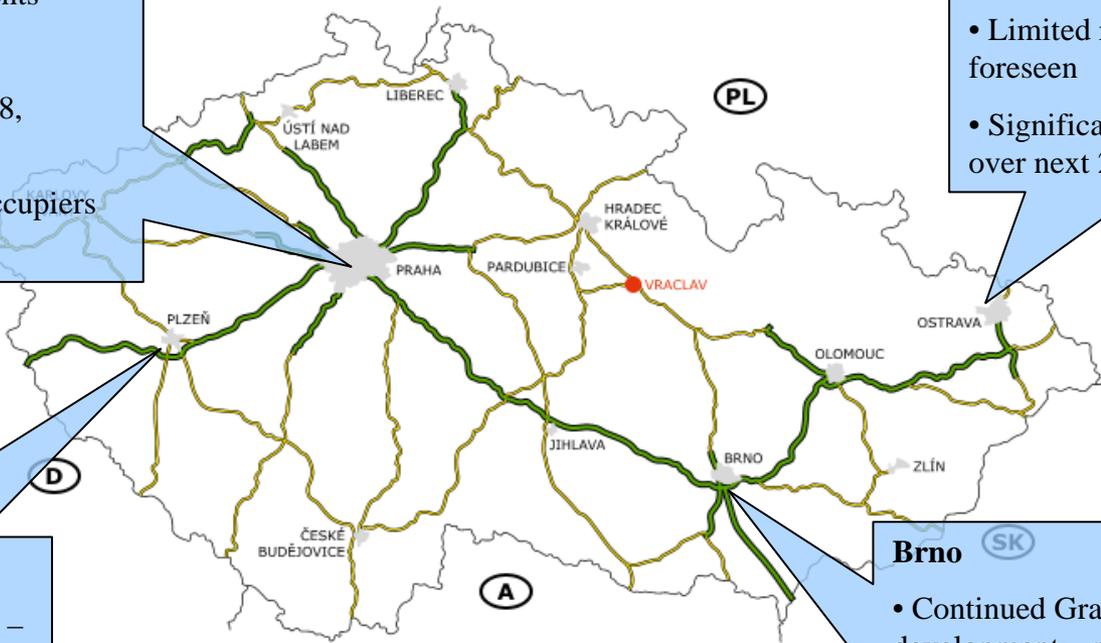
# Czech Republic Key Office Markets – Looking to the Future

**Prague**

- Continued stabilisation of rents
- Limited supply in 2007
- Potential oversupply in 2008, particularly in Prague 4.
- High lease incentives for occupiers in 2008

**Ostrava**

- Increase in levels of take-up as market matures.
- Limited rental growth foreseen
- Significant increase in supply over next 2-3 years



**Plzeň**

- Emergence of Office supply – particularly outside of city centre.
- Potential interest from German occupiers for administrative offices

**Brno**

- Continued Grade A office development – particularly in City Centre.
- Natural correction of rental levels as supply increases
- Viable alternative to Prague in 2007

## Key Investment Criteria



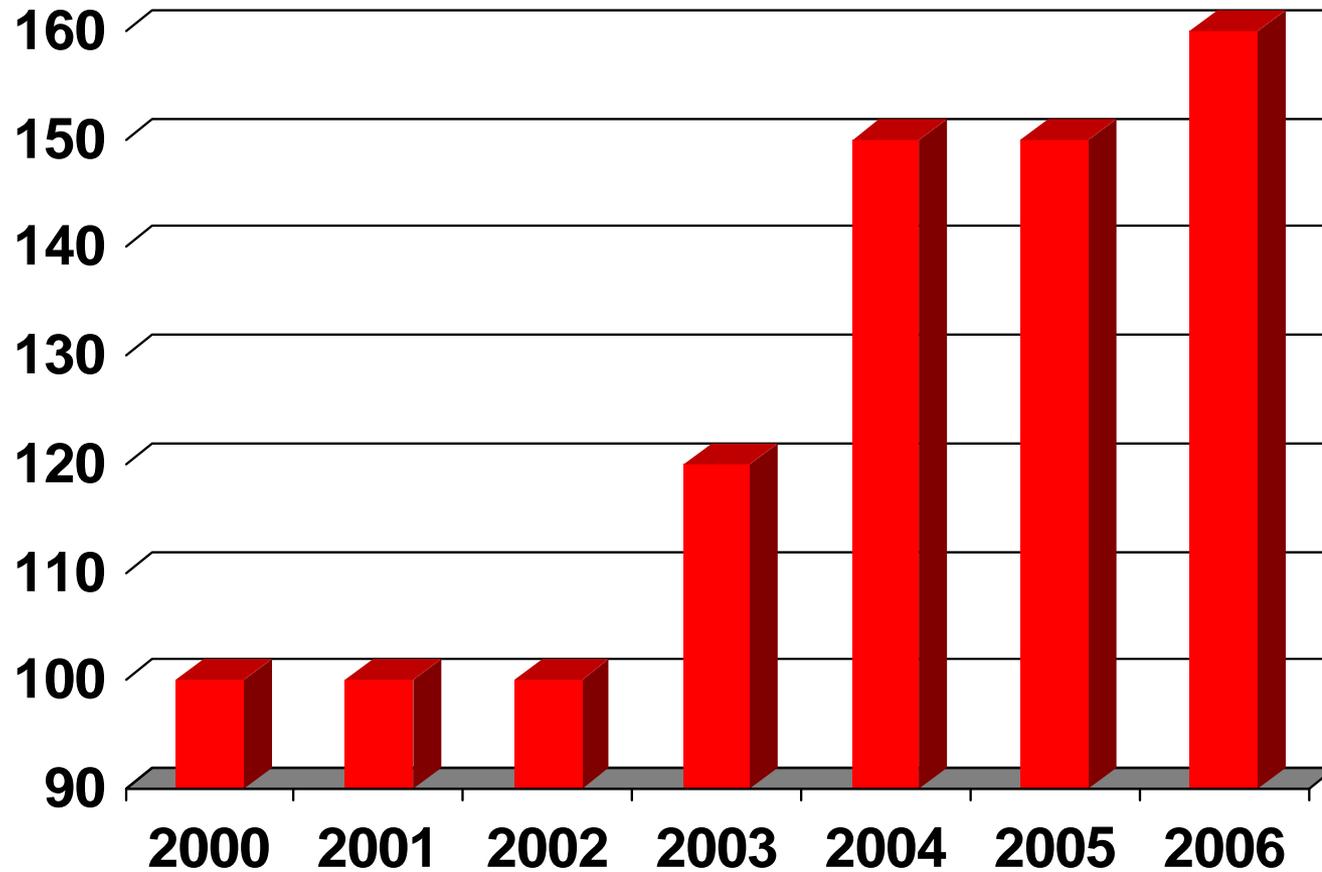
Name: The Park  
Size: 58,000 sq m  
Investor: Sigma  
Price: 230million  
Yield: sub 6%

**Total Amount Invested within office properties in 2006: 1,050 million Euros**

# The Czech Republic Retail Market



## Prime high street rents in Prague



## Key Investment Criteria



Name: Most City Centre

Size: 18,000 sq m

Investor: Quinlan

Price: EUR 15 million

Yield: 6.9%

**Total Amount Invested in 2006: 147.2 million Euros**

# The Czech Logistics/Industrial Market



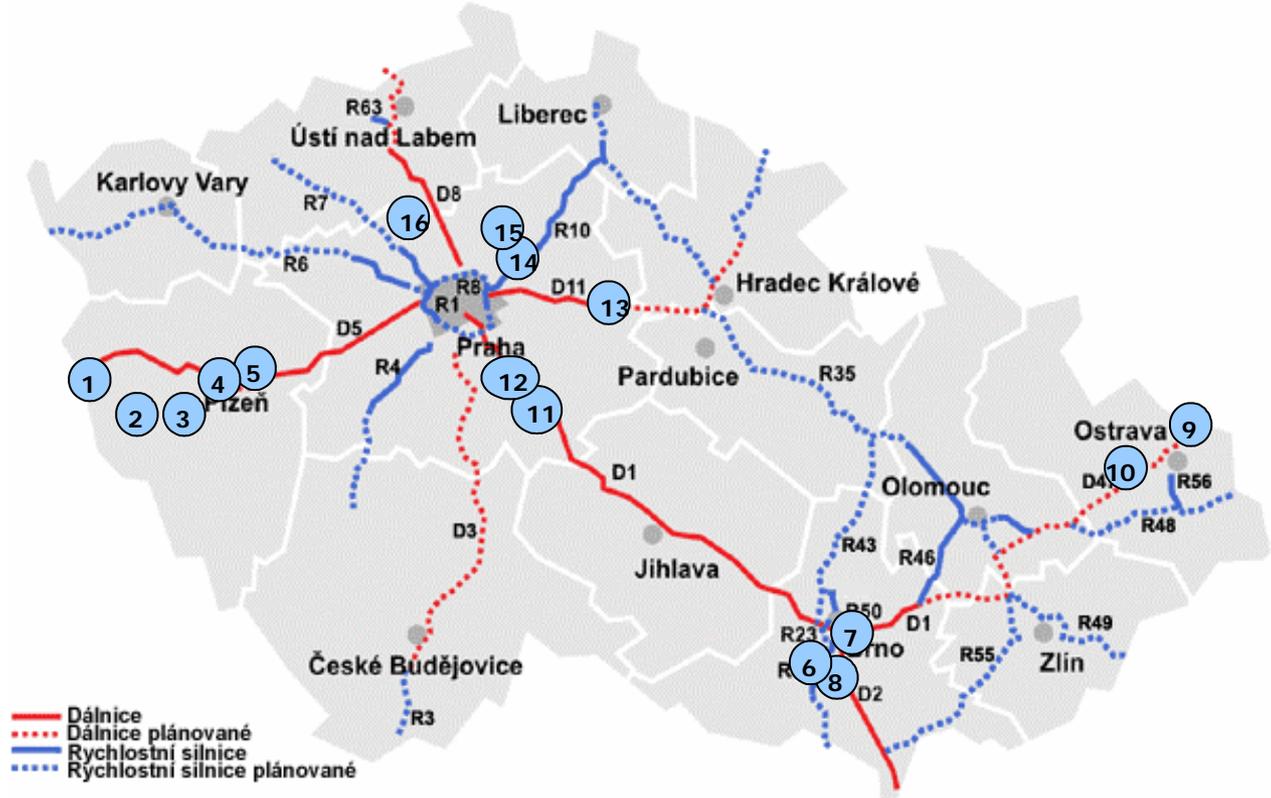
# Major Logistic Schemes in the Prague Region



- |    |                               |    |                                |
|----|-------------------------------|----|--------------------------------|
| 1  | Airport Logistics Park        | 11 | Industrie Park Horní Počernice |
| 2  | Rudná Logistics Park I. & II. | 12 | Green Park                     |
| 3  | Zličín Business Center I      | 13 | ProLogis D8 Park               |
| 4  | ProLogis D1 Park              | 14 | Ruzyně Business Center         |
| 5  | Tulipán Logistics Park        | 15 | Basil Logistic Center          |
| 6  | Westpoint                     | 16 | Nupaky Logistics Park          |
| 7  | Northpoint D8                 | 17 | CargoPort Dobrovíz             |
| 8  | Karlovarská Business Park     | 18 | R6 Logistics Park              |
| 9  | Southpoint D1 Park            | 19 | Zličín Business Center II      |
| 10 | Parkridge Distribution Center |    |                                |

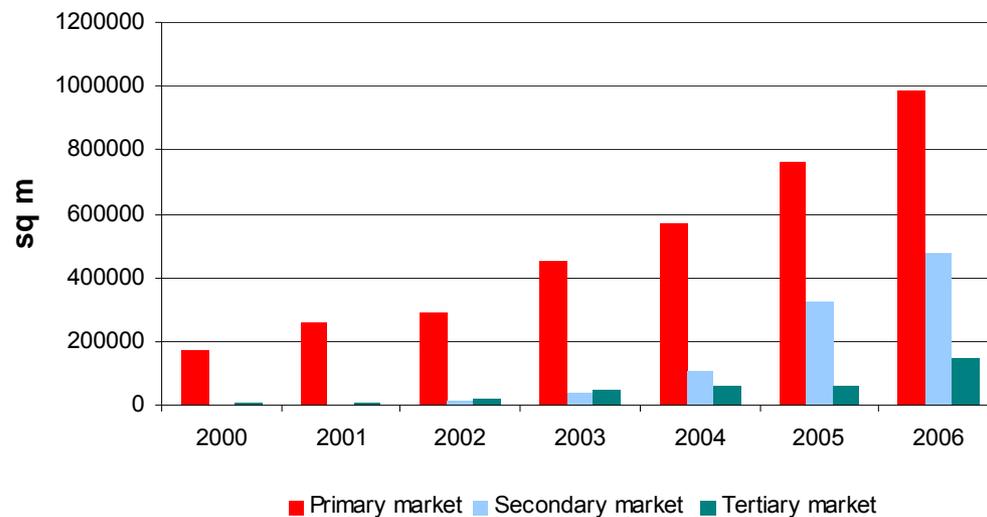
# Logistics market – Major projects outside Prague

1. CTP Bor
2. D5 Logistics Park
3. VGP Park Nýřany
4. Plzeň West Business Centre
5. CTP Plzeň
6. CTP Modřice
7. CTP Brno Airport
8. D2 Logistics Park
9. CTP Ostrava
10. CTP Lipník nad Bečvou
11. CTP Humpolec
12. CTP Divišov
13. CTP Pardubice
14. VGP Park Mladá Boleslav
15. CTP Mlada Boleslav
16. VGP Park Lovosice



# Logistics and industrial market “A grade” space

## Total stock by submarket



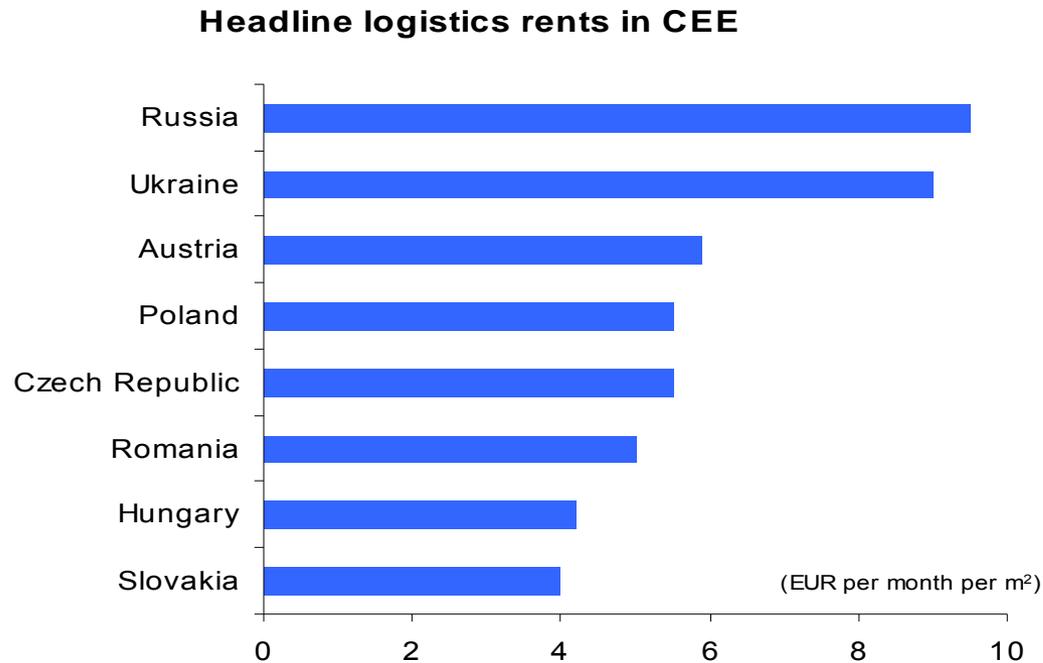
## Logistics and industrial market “A grade” space



	2002	2003	2004	2005	2006
<b>Total supply (000 m<sup>2</sup>)</b>	650	750	850	1 148	1 610
<b>New supply (000 m<sup>2</sup>)</b>	100	100	100	300	460
<b>Vacancy rate (%)</b>	5	5	1,5	2	4.5
<b>Take up / Transaction (000 m<sup>2</sup>)</b>	150	250	130	290	620
<b>Rents (EUR/m<sup>2</sup>/month)</b>	5-6	5-5.5	5-5.25	5-5.25	4.8
<b>Yields</b>	11	10.5	9.5	8	7

Source DTZ Prague; Research

## Finally how the Czech Republic features within the CEE area



Source: DTZ Research

Regional rents in each country are less, eg. rents in Poland range from €2.8-3.1 per sq m./month

## Key Investment Criteria



Name: Tulipan Industrial Park

Size: 22 050 sq m

Investor: Standard Life

Price: EUR 22.1million

Yield: 7.12%

**Total Amount Invested in 2006: 22.1 million Euros**