

Business properties

Enquiries about business properties registered
by CzechInvest in 2018

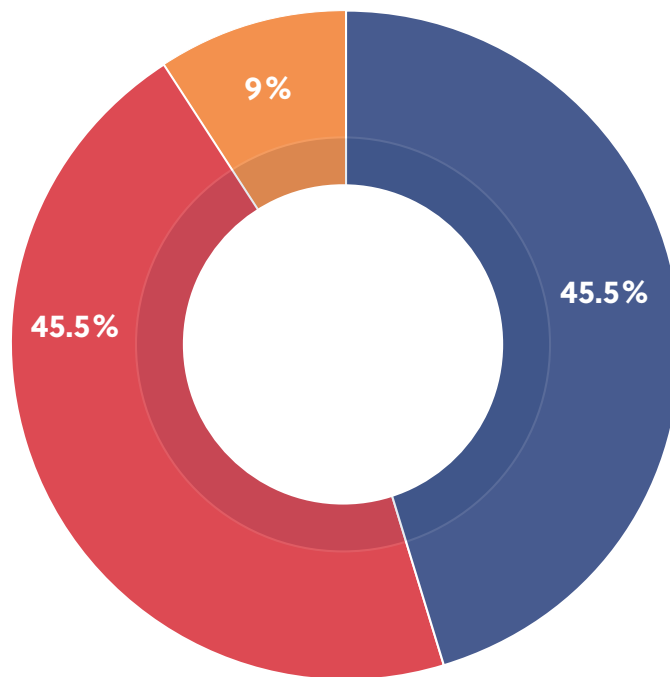


Database of business properties

CzechInvest administrates a database of business properties that is one of the most extensive of its kind in the Czech Republic. Properties registered in this database fulfil the most demanding requirements of CzechInvest's clients. The database is non-public and serves primarily for the purposes of firms in the areas of manufacturing, business support services and technology centres that are seeking suitable properties for their business operations. Through its database, CzechInvest offers investors properties under public and private ownership in four categories: industrial land plots, manufacturing facilities, office facilities and brownfields.

In 2018, CzechInvest received 156 enquiries from investors seeking properties in the Czech Republic. This was a significant decrease in comparison with 2017, when the agency received 216 such enquiries. Investors most frequently enquired about industrial land plots and manufacturing facilities (45.5% of enquiries in each case). Office facilities were the subject of 9% of enquiries. Nearly 29% of all enquiries involved brownfields. In comparison with 2017, demand for manufacturing facilities increased slightly, whereas demand for industrial land plots and office facilities slightly declined.

Demand for business properties in 2018 by category



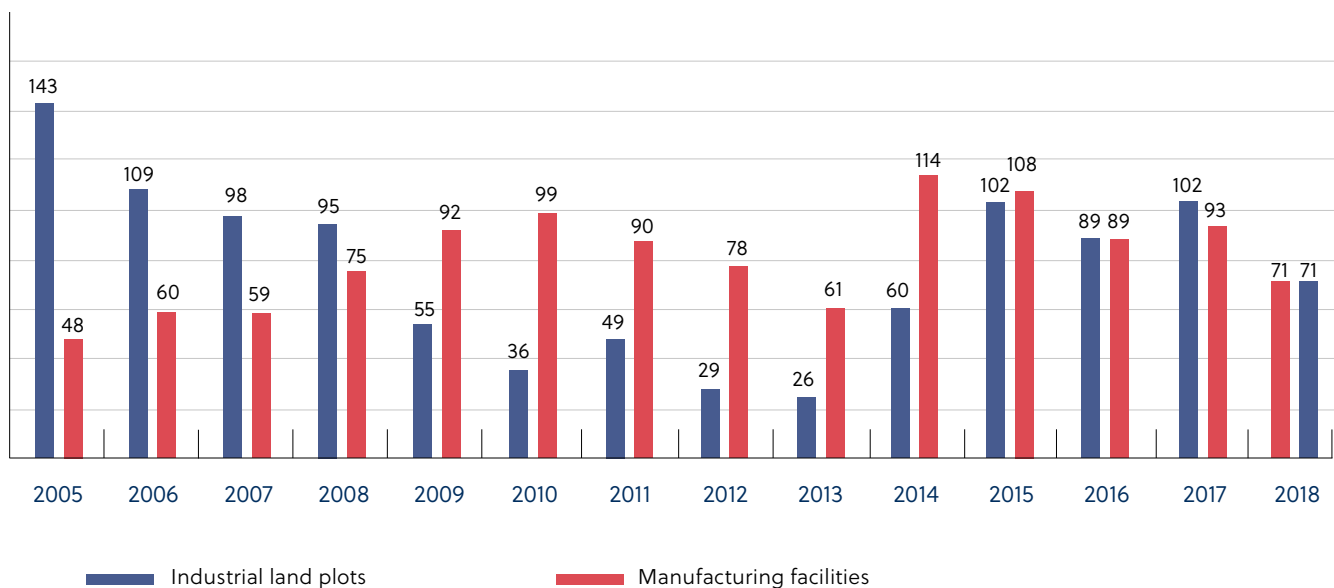
Land plots

Manufacturing facilities

Office facilities



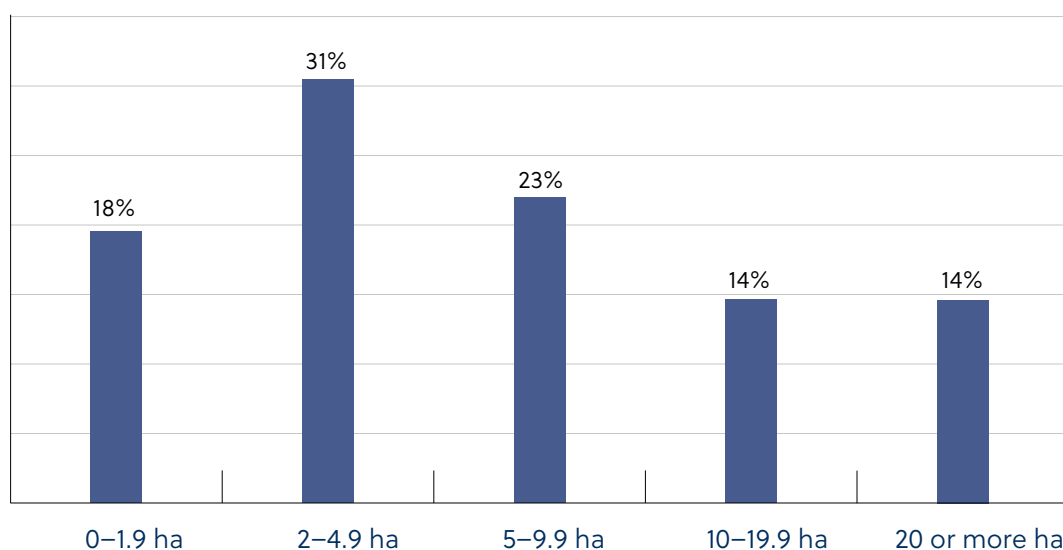
Demand for industrial land plots and manufacturing facilities, 2005–2018



Industrial land plots

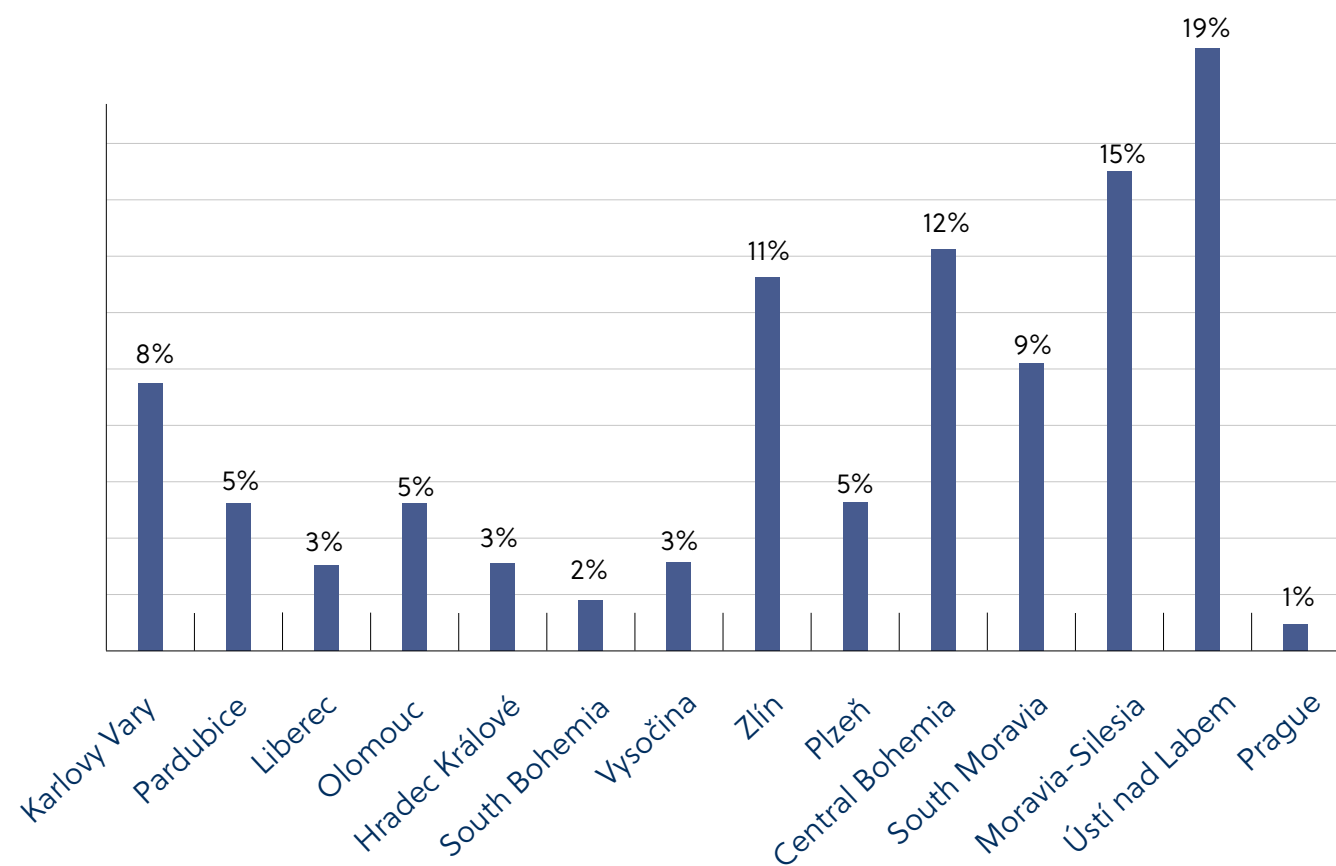
The largest number of enquiries about industrial plots were registered in the case of sites with an area of 2-4.9 ha (31%) and sites with an area of 5.9-9 ha (23%), followed by sites covering 0-1.9 ha. Investors expressed less interest in sites larger than ten and twenty hectares (14% in each case).

Demand for industrial land plots in 2018 by size



As in the past, investors most frequently enquired about the Ústí region (19%), where interest in industrial land plots grew further in comparison with previous years. The Moravia-Silesia (15%), Central Bohemia (12%) and Zlín (11%) regions were also the subject of strong demand. Conversely, interest in the Karlovy Vary region weakened. Unlike the other regions, Karlovy Vary offers few industrial land plots that are suitable for purchase. Most industrial land plots are owned by property developers that offer investors construction of facilities for lease. Together with the low unemployment rate, the lack of available industrial land plots was a reason for lower demand in the Pardubice, Hradec Králové and South Bohemia regions. Furthermore, demand was dampened by insufficient connections of certain areas of these regions to the Czech Republic's backbone motorway network.

Demand for industrial land plots in 2018 by region

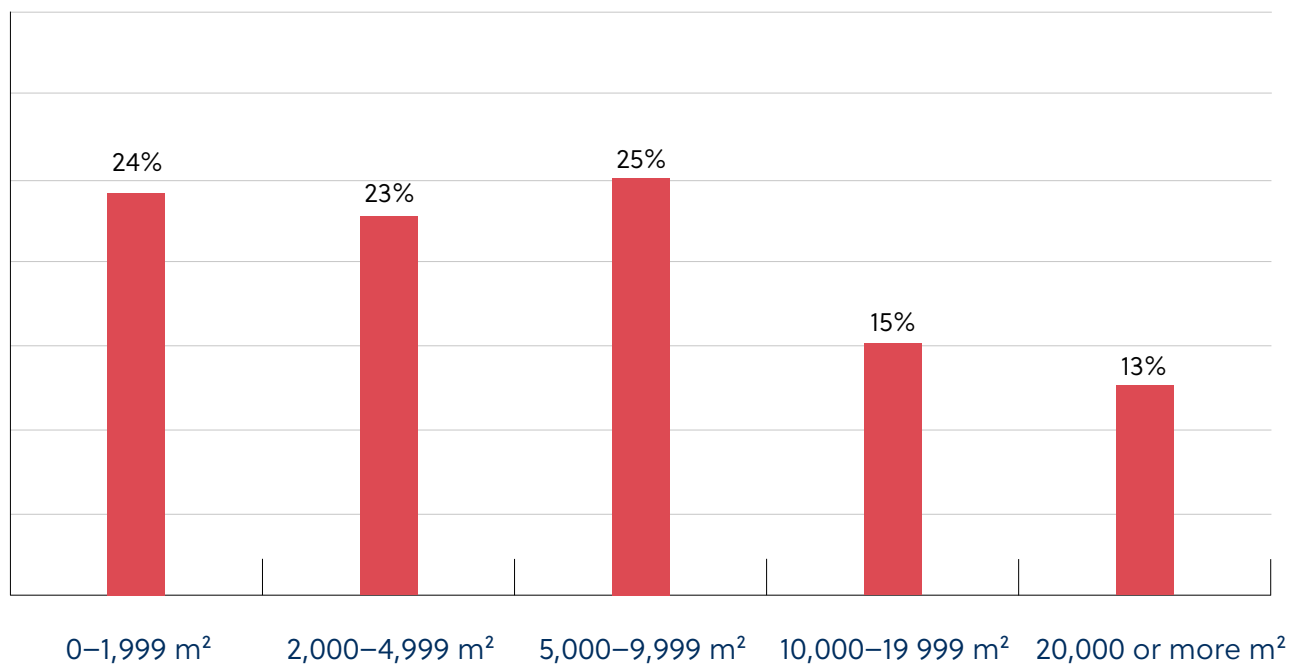


Manufacturing facilities

In 2018, investors expressed the strongest interest in manufacturing facilities with an area of 5,000-10,000 (25%), with similar levels of interest in manufacturing facilities of 0-2,000 m² (24%) and 2,000-5,000 m² (23%). Interest was somewhat weaker in the case of manufacturing facilities larger than 10,000 m² (15%) and 20,000 m² (13%). In comparison with 2017, there was increased interest in manufacturing facilities of up 2,000 m².

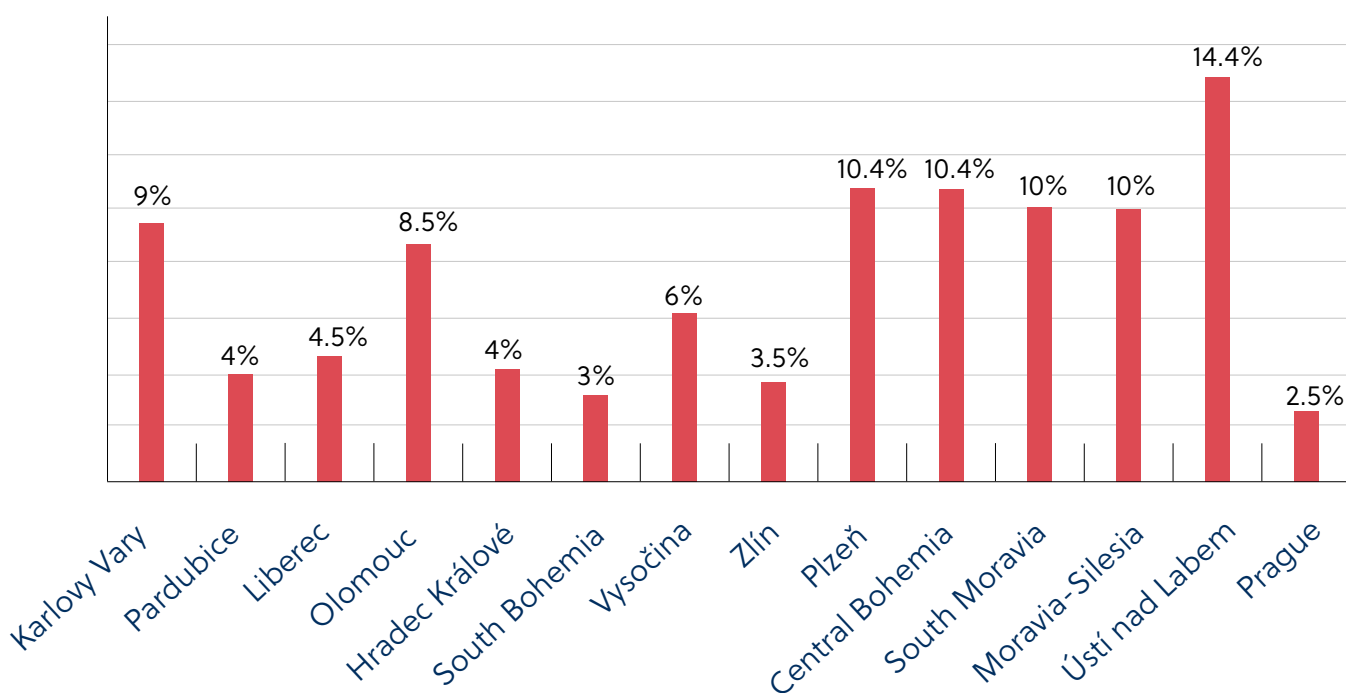


Demand for manufacturing facilities in 2018 by size



In 2018, investors most frequently enquired about manufacturing facilities in the Ústí region (14.4%), followed by the Plzeň and Central Bohemia regions (each with 10.4%) and the South Moravia and Moravia-Silesia regions (each with 10%). In addition to good transport accessibility, an important role is played here by the possibility of developing industrial properties, either for sale or lease (the more frequent option), according to the requirements of individual investors.

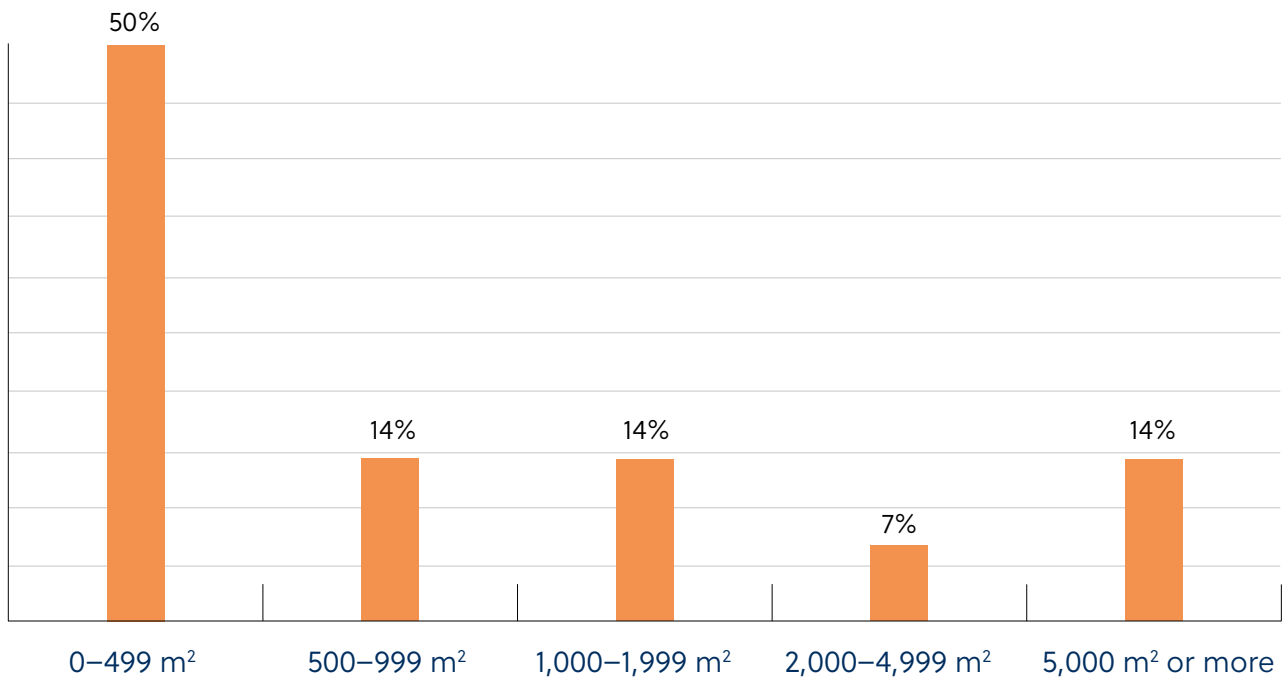
Demand for manufacturing facilities in 2018 by region



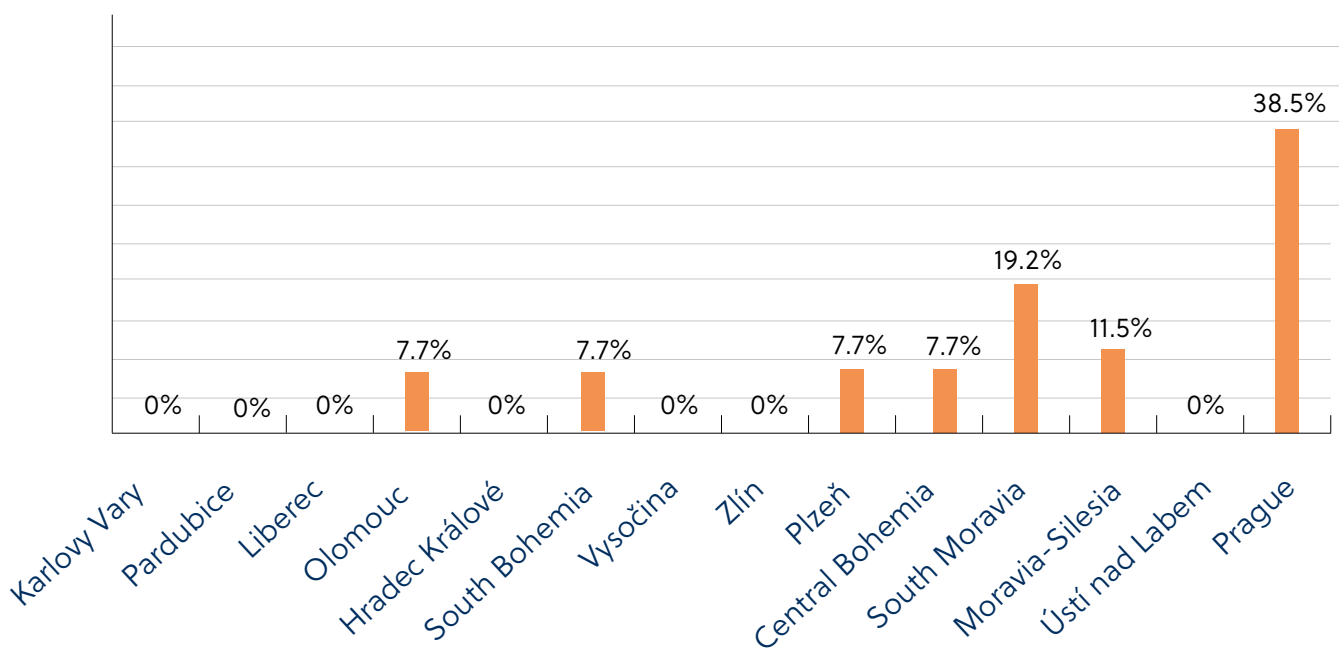
Office facilities

In 2018, investors most frequently enquired about office facilities with an area of up to 500 m². This demand deviated from the trend of preceding years. Enquiries were focused especially on Prague, Brno and Ostrava.

Demand for office facilities in 2018 by size



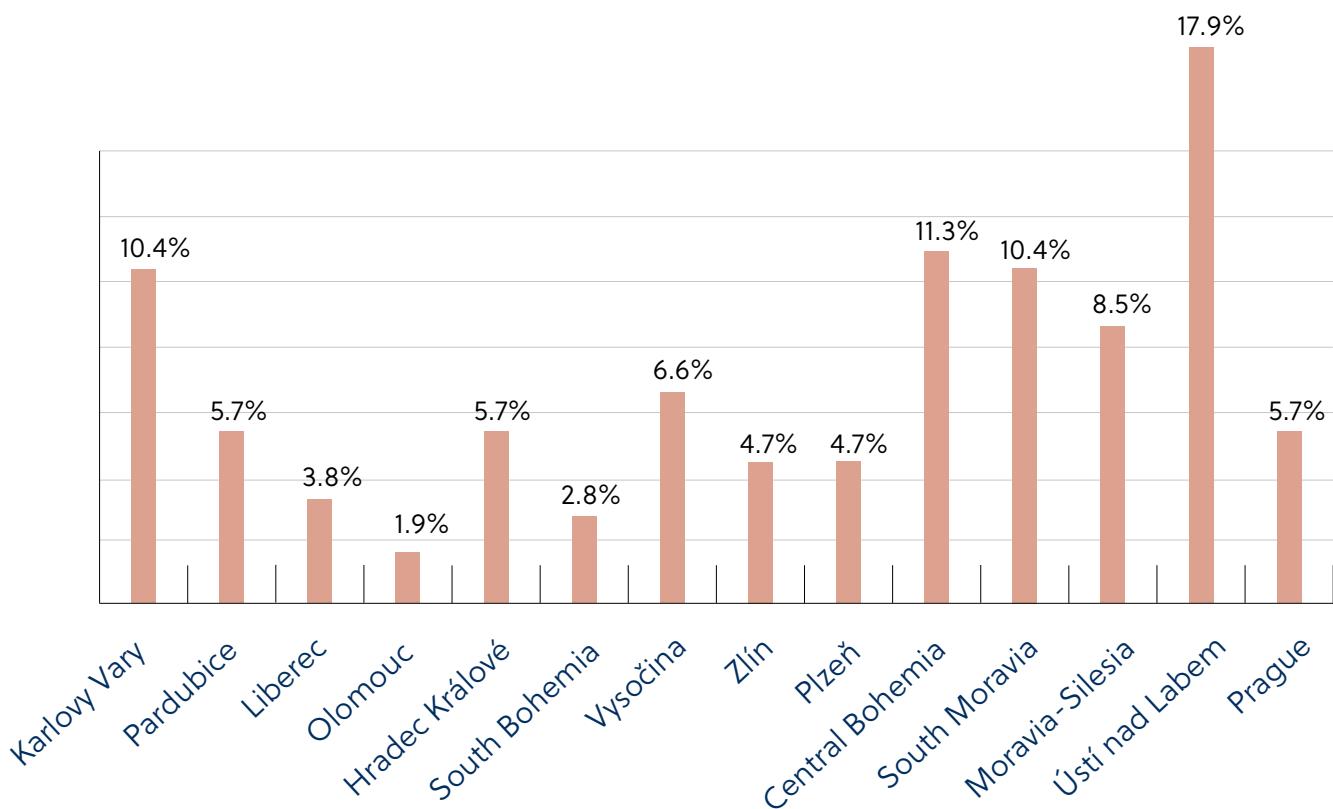
Demand for office facilities in 2018 by region



Brownfields

A specific category of business properties comprises brownfield sites, which differ significantly in terms of size and other parameters. For that reason, it can be difficult to monitor trends in the development of demand for this type of properties. Foreign investors mostly do not directly enquire about brownfields, as the regeneration of such sites represents for them an additional activity that can carry the risk of delaying the start or expansion of their operations. However, the fact remains that in nearly 29% of all cases, investors enquired about suitable brownfield properties. More than 23% of all offers involved a brownfield property.

Demand for brownfields in 2018 by region



The Properties Programme of the Innovation Programme Enterprise and Innovation for Competitiveness 2014-2020 was launched in 2015. Owners of brownfields can receive financial support from the Properties Programme for the regeneration of their properties. The Regeneration and Business Use of Brownfields Programme of the Ministry of Industry and Trade was initiated in 2017 and offers financial support for the regeneration of brownfields for business use to owners from a number of municipalities in structurally impaired regions and other economically disadvantaged regions. The programme continued in 2018. Thanks to rising support from the state (as well as via EU structural funds) on one hand and the growing lack of available land on the other hand, it can be expected that interest in brownfield sites will increase in the future.