

# Business Properties

Demand for business properties registered by Business and Investment Development Agency CzechInvest in 2017



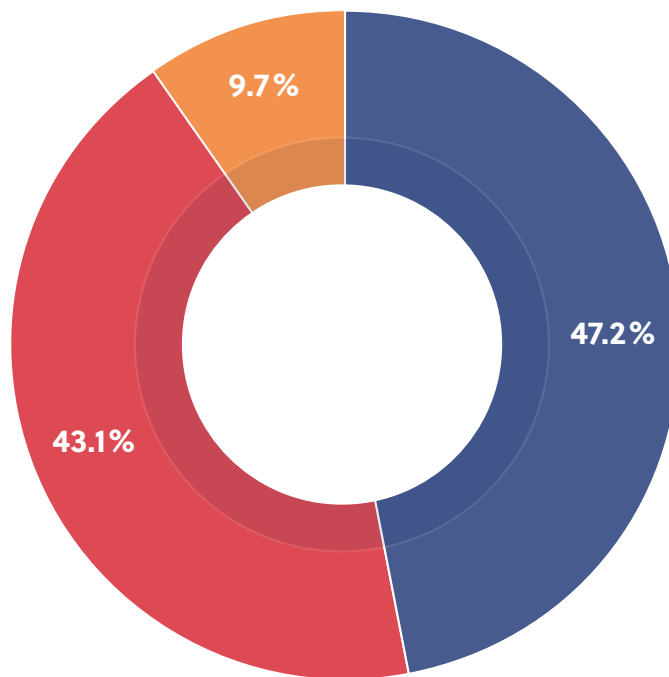
# Database of Business Properties

The Business and Investment Development Agency CzechInvest administers a database of business properties that is one of the most expansive of its kind in the Czech Republic. Properties registered in this database fulfil the most demanding requirements of CzechInvest's clients. The data is not public and primarily serves the purposes of companies in the areas of manufacturing, business support services and technology centres that are seeking suitable properties for their business operations.

Within the database, CzechInvest offers investors properties under public and private ownership in four categories: industrial sites, production facilities, office facilities and brownfields.

In 2017, CzechInvest received 216 enquiries from investors seeking properties in the Czech Republic. Those enquiries most frequently involved industrial sites (47.2%), followed by production facilities (43.1%) and office facilities (9.7%). Brownfields accounted for 22.7% of all enquiries.

## Demand for Business Properties in 2017 by Category

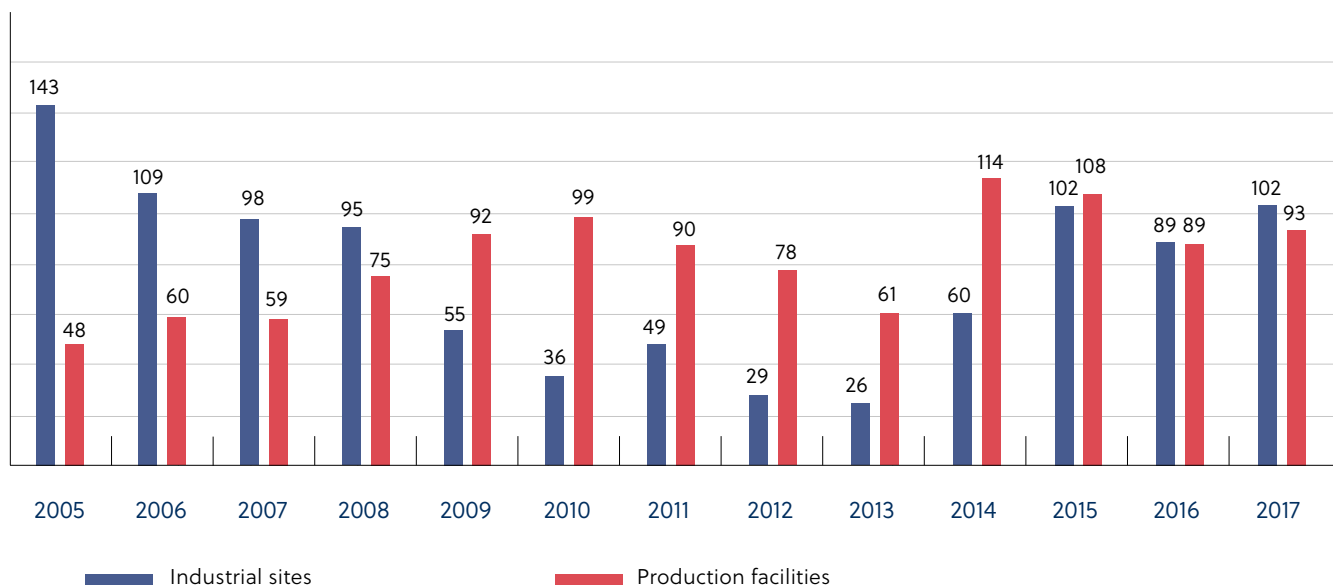


Industrial sites      Production facilities      Office facilities

Compared with 2016, demand for industrial sites increased slightly, which to a significant extent can be explained by global improvement of the economic climate and thus the greater willingness of investors to implement investments of a long-term nature.



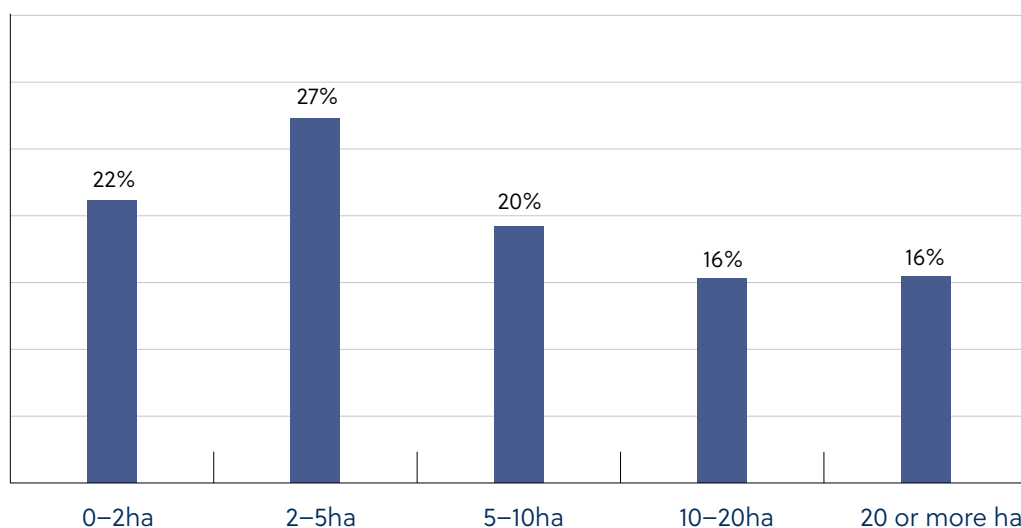
## Demand for Industrial Sites and Production Facilities in the Period 2005–2017



## Industrial Sites

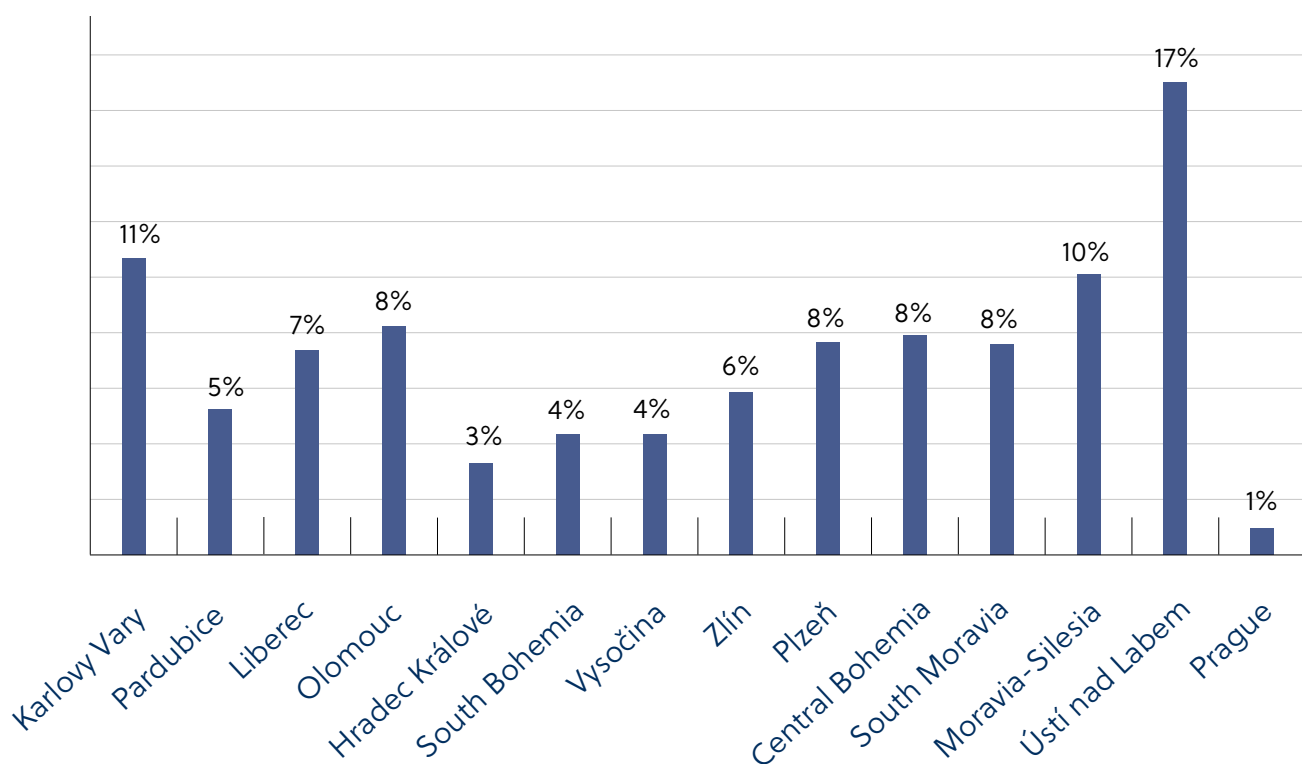
The largest number of enquiries pertaining to industrial sites involved land plots with an area of 2-5 ha (27%), followed by sites covering 0–2 ha (22%), 5–10 ha (20%) and, in equal measure, 10–20 ha (16%) and 20 or more hectares (16%).

### Demand for Industrial Sites in 2017 by Size



As in past years, investors' enquiries were most frequently focused on the Ústí region (17%), followed by the Karlovy Vary and Moravia-Silesia regions (11% and 10%, respectively). Strong demand for the Ústí and Karlovy Vary regions stems from their immediate proximity to Germany and good transport access for potential investors from that country, who traditionally rank among the most significant in the Czech Republic. A major role is currently played by the unemployment rate in the given region, which is one of the main reasons for the decline (by 2%) in demand for industrial sites in Central Bohemia, which, in comparison with other regions, offers few industrial sites available for purchase. The majority of industrial sites are owned by property developers, which offer investors the possibility to construct a facility for lease. Together with the low unemployment rate, the lack of available industrial sites is the reason for lower demand for the Pardubice, Hradec Králové and South Bohemia regions. Another factor is the more troublesome connection of some parts of these three regions to the backbone motorway network of the Czech Republic.

## Demand for Industrial Sites in 2017 by Region

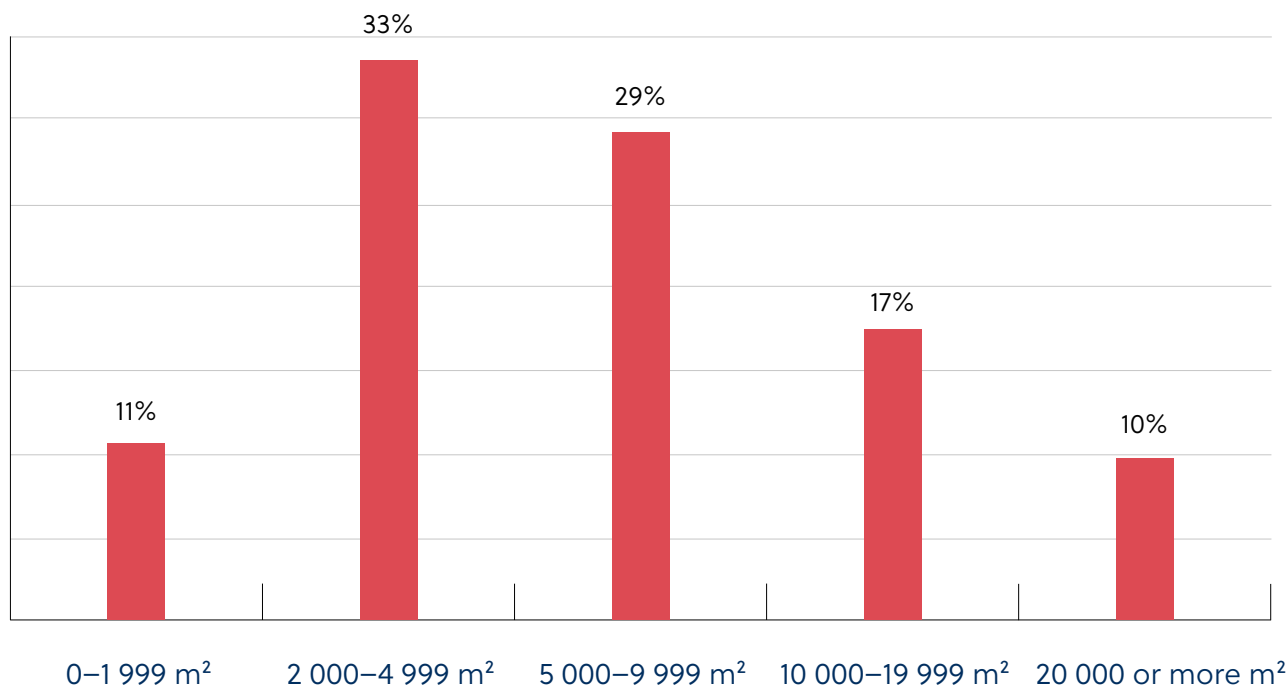


## Production Facilities

In 2017, investors expressed the strongest interest in production facilities with an area of 2,000-5,000 (33%), followed by properties with 5,000–1,000 m<sup>2</sup> (29%), 10,000–20,000 m<sup>2</sup> (17%), 0–2,000 m<sup>2</sup> (11%) and 20,000 or more m<sup>2</sup> (10%).

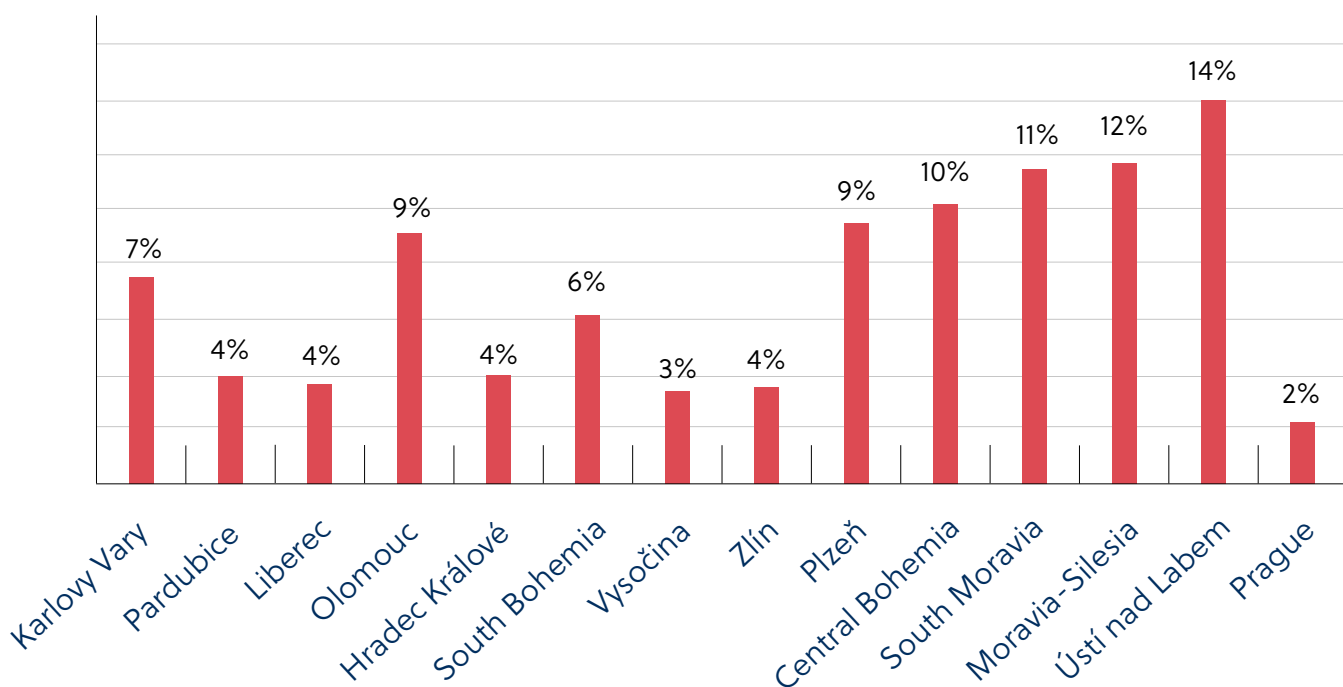


## Demand for Production Facilities in 2017 by Size



In 2017, investors most frequently enquired about production facilities in the Ústí region (14%), followed by Moravia-Silesia (12%) and South Moravia (11%).

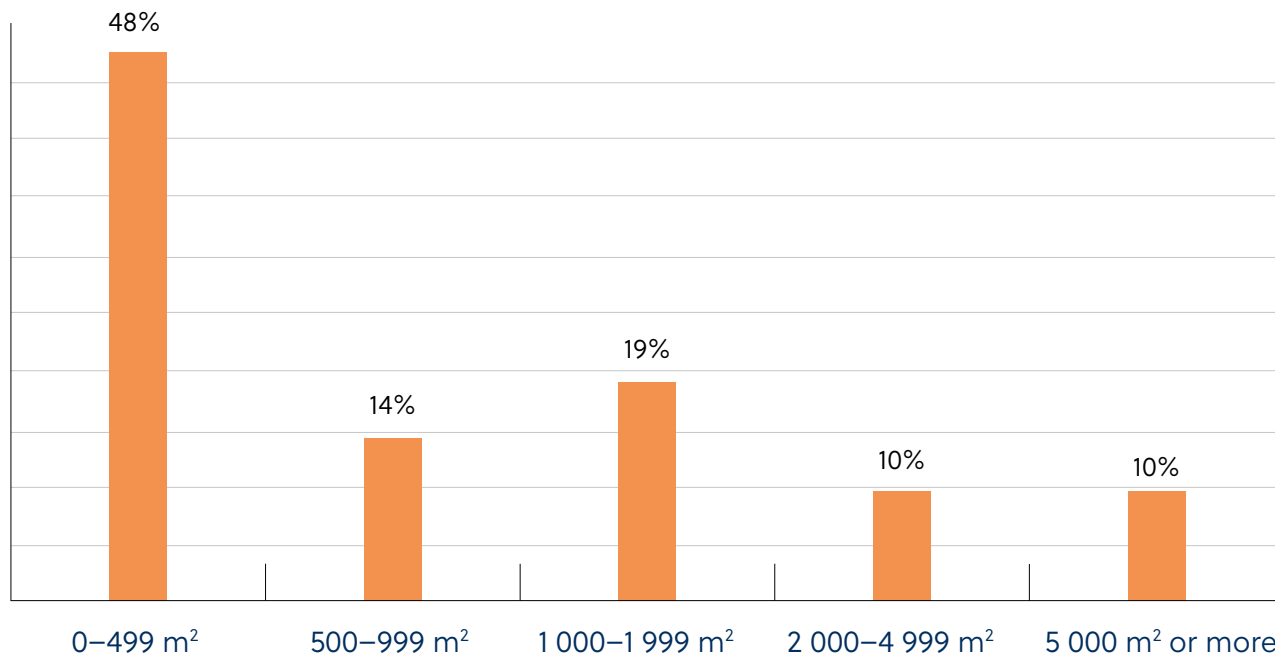
## Demand for Production Facilities in 2017 by Region



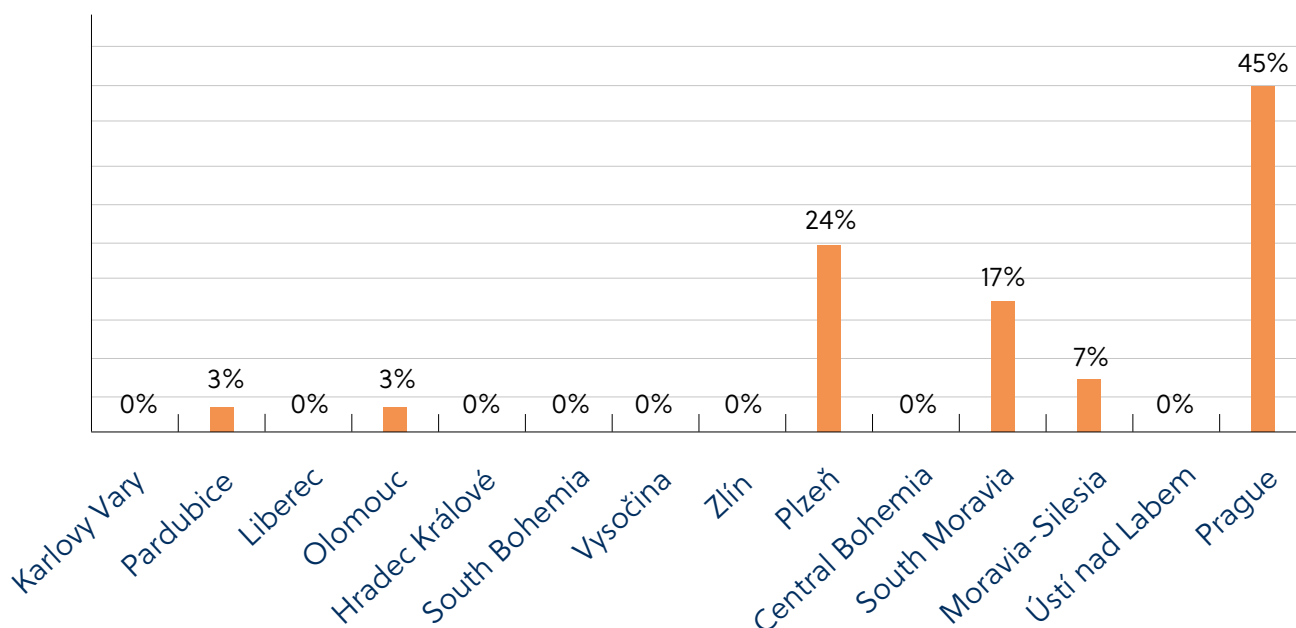
# Office Facilities

In 2017, investors most frequently enquired about office facilities with an area of up to 500 m<sup>2</sup>, which was in line with the trend of previous years. Enquiries were focused especially on the cities of Prague, Brno and Ostrava.

## Demand for Office Facilities in 2017 by Size



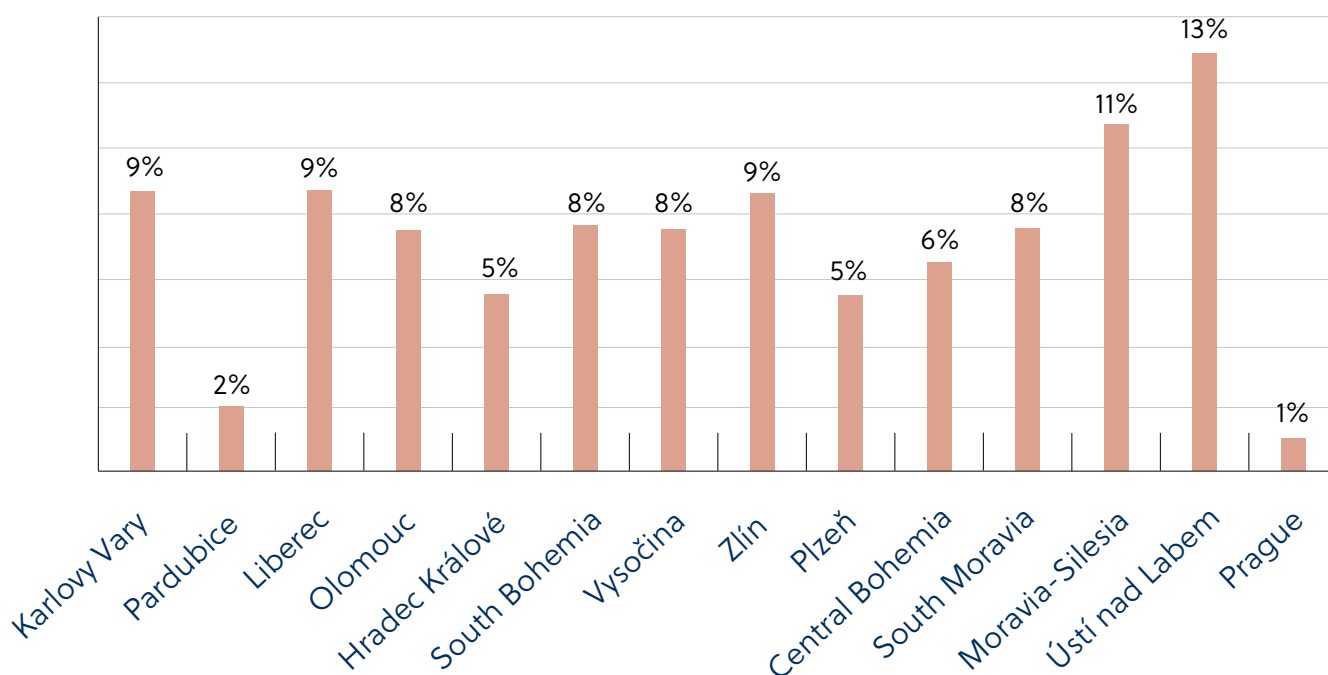
## Demand for Office Facilities in 2017 by Region



# Brownfields

A distinctive category of business properties is brownfield sites, which differ significantly in terms of size and other parameters, which currently makes it difficult to monitor trends in the development of demand for such properties. For the most part, investors do not directly enquire about brownfields, as the regeneration of such sites represents an additional activity that can present a risk of delay in the start or expansion of their operations. However, the fact remains that investors enquired about suitable brownfield properties in more than 22% of cases.

## Demand for Brownfields in 2017 by Region



The Properties Programme of the Operational Programme Enterprise and Innovation for Competitiveness 2014-2020 was launched in 2015. Owners of brownfields can draw financial support from the Properties Programme for regeneration of their sites. In 2017, the Ministry of Industry and Trade initiated the Regeneration and Commercial Use of Brownfields Programme, which offers owners in a number of structurally deficient regions and other economically disadvantaged areas financial support for regeneration of brownfields for commercial use. Thanks to growing support from the state (including EU structural funds) and the increasing lack of available land plots, it can be expected that there will be ever greater interest in brownfield sites in the future.