

# Czech Investment Market

Q3 2024

A regular investment market update on the Czech real estate market

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Although the investment volume was low in the third quarter, we expect a more significant increase in the final months of this year. We assume that some major transactions, which are in the final stages of negotiations, will be closed. Foreign investors are still missing from the market.

- Yields remained stable, with prime industrial currently only 100 basis points higher than at the market peak, and 175 basis points higher for shopping centres. Therefore, the repricing was not as significant as in other markets.

## Overview

Q2 2024

Prime Yields

Offices	5.50%
Shopping Centres	6.25%
Retail Parks	6.00%
High Streets	5.00%
Industrial & Logistics	5.00%

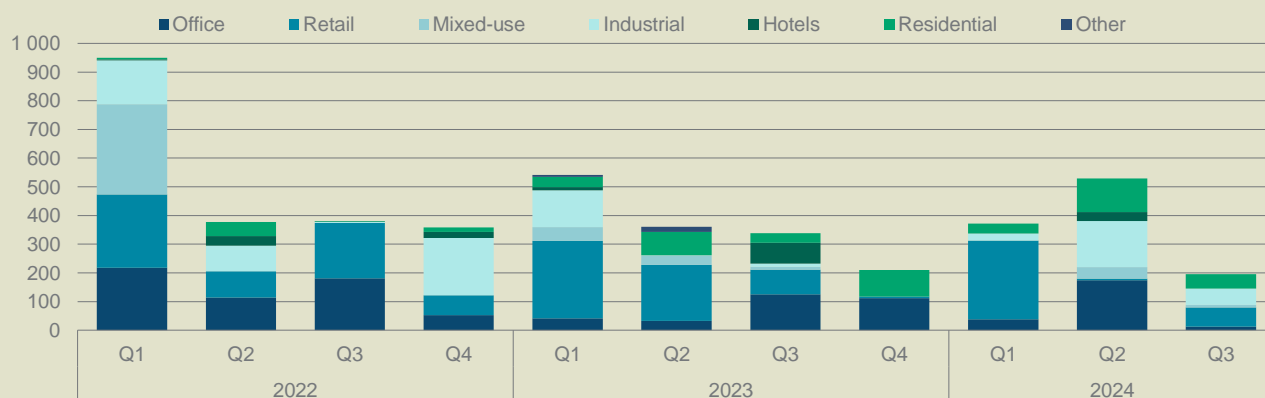
## CZECH INVESTMENT MARKET

In the third quarter of 2024, investments reached €196 million, representing a year-on-year decline of 42%. In the first nine months of this year, the total investment volume amounted to almost €1.1 billion, which is 12% less than in the same period last year. However, we expect a significant increase in the fourth quarter.

A third of all investments made in the third quarter went into retail properties (34%), followed by investments in industrial and warehouse properties (29%), and in residential rental properties (26%).

All these investments were made by Czech investors.

Investment volume  
€ mil.



Zdroj: Knight Frank Research

## INVESTMENT MARKET

The most significant transaction in the third quarter was the acquisition of the built-to-rent project Nový Opatov G1 comprising 171 apartments. This marked the first residential transaction for the REICO ČS NEMOVITOSTNÍ real estate fund.

Fio purchased Garbe Park Chomutov, which hosts the European fulfillment centre of the company Fielmann.

The largest retail transaction was the acquisition of OC Řepy in Prague 6 by Pragorent. CONSEQ Investment Management then purchased the Čtyři Dvory shopping centre in České Budějovice from REICO ČS NEMOVITOSTNÍ.

Smaller investments dominated the quarter. Six transactions were completed with lot sizes under €10 million, three in the €10-30 million range, and three more in the €30-40 million range.

Transactions involving portfolios, premium offices, hotels, and retail properties in Prague, with lot sizes exceeding €100 million, are in advanced negotiation stages this year. It is expected that most buyers will once again be Czech entities and funds.

**We are passionate about answering your questions. If you've got one about our research or you would like some property advice, we would love to hear from you.**



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### Investment

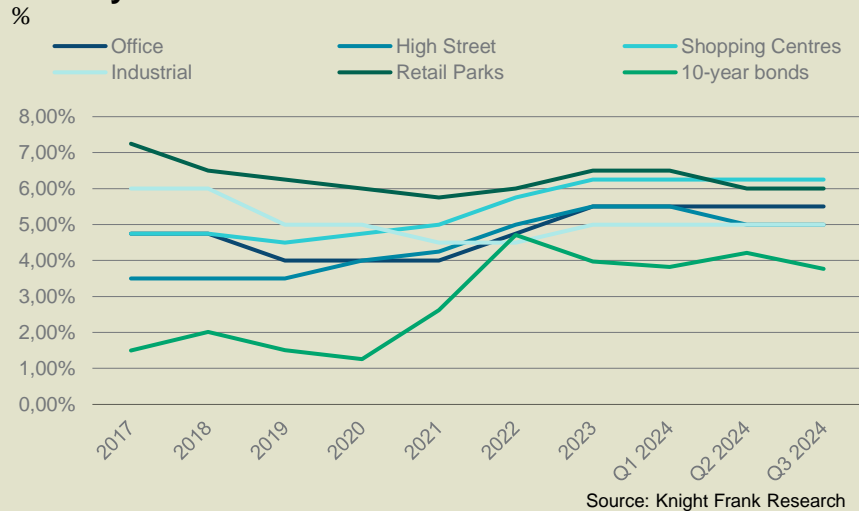
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- During the third quarter, prime yields remained stable across all segments of the real estate market. We expect that yield rates should remain mostly unchanged in the short term.

At its September meeting, the Czech National Bank (ČNB) reduced the base interest rate by further 25 basis points to 4.25%. The European Central Bank also lowered the base interest rate, to 3.25%. Analysts expect one more rate cut this year.

Our prediction that this year's investment volume could reach €1.6-1.8 billion still holds, thanks to the expected higher volume of investments in the last months of the year. Last year, properties worth EUR 1.45 billion were traded. However, the long-term annual average for investment volumes is higher, at €2.6 billion

## Prime yields



## Investment by sector in Q3 2024

€ mil.

