

## MARKET SUMMARY & OUTLOOK

	YoY Chg	12-Mb. Forecast	
<b>Investment Trends</b>	▲	▲	Hotel transaction volume almost tripled in 2019 to reach EUR 539 million. Going forward, 2020 may set a new record with as many as 9 assets already on the market or being considered for sale.
<b>Prime Yields</b>	▼	—	Driven by continuous investor appetite and strong hotel operational performance, yields will continue to remain compressed. However further reduction is unlikely, given rising global geopolitical and economical concerns.
<b>Market Performance</b>	▲	—	With occupancy at near-peak levels, hoteliers focused primarily on ADR growth in 2019, resulting in a healthy RevPAR increase, up by nearly 4%. This trend is expected to continue in 2020.
<b>Supply</b>	—	—	While Prague expects to see an influx of approximately 1000 rooms over the next 3 years, this represents a CAGR of only 0.9% (weighted), which should be easily absorbed by the market.
<b>Demand</b>	▲	—	Given the fast-changing nature of the ongoing coronavirus crisis, it is difficult to predict the full impact on Prague hotel market. The first half of the year will undoubtedly be notably impacted. Whether there will be a recovery later in the year will depend on how fast the crisis is contained and what implication it will have on the global economy.

## INVESTMENT TRENDS

**HIGHLIGHTS - YE Q4 2019**

- € 539 million transacted
- 7 properties comprising 1,994 keys sold
- 58% of capital was from international buyers
- 35% of volume was invested in upscale hotels alone

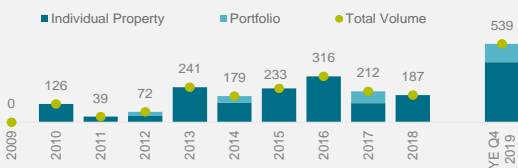
### RECENT TRANSACTION TRENDS

	2018	2019	% Change**
<b>Properties Sold</b>	6	7	16.7% ▲
<b>Rooms Sold</b>	703	1,994	183.6% ▲
<b>Volume Transacted*</b>	187	539	188.7% ▲

\*Volume transacted in EUR, millions

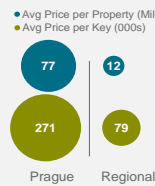
\*\*% Change in transaction volume from the previous period

### ANNUAL TRANSACTION VOLUMES (2009-2019, EUR MILLIONS)

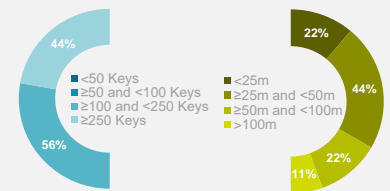


Source: Cushman & Wakefield / RCA

### AVERAGE TRANSACTION PRICE (YE Q4 2019, EUR)

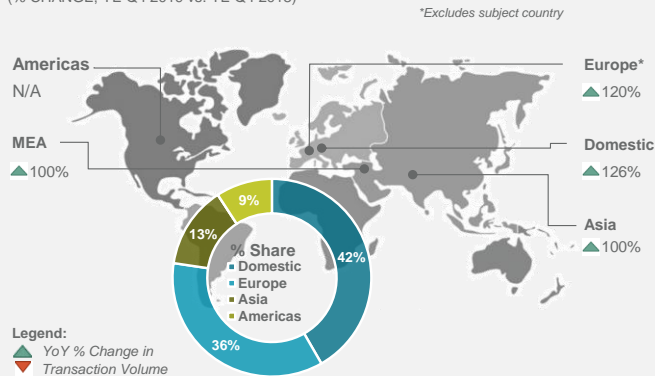


### BREAKDOWN BY NO. OF KEYS SOLD & DEAL SIZE (YE Q4 2019, % SHARE)



## NATURE OF INVESTMENTS

### TRANSACTION VOLUME BY SOURCE OF CAPITAL (% CHANGE, YE Q4 2019 vs. YE Q4 2018)



### TRANSACTION VOLUME BY TYPE OF INVESTOR (YE Q4 2019)

Investor Type	BUYERS (% Share)		SELLERS (% Share)	
	Last 12 Months	% Change	Last 12 Months	% Change
Private	71%	169% ▲	45%	34% ▲
Institutional	29%	100% ▲	13%	100% ▲
Public	0%	-100% ▼	42%	100% ▲
Other	0%	N/A	0%	-100% ▼

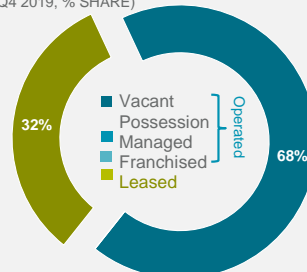
Source: Cushman & Wakefield / RCA

### TRANSACTION VOLUME BY HOTEL CLASS (YE Q4 2019)

HOTEL CLASS	% CHANGE	% SHARE ON TOTAL VOLUME
Luxury	9% ▲	19%
Upper Upscale	-100% ▼	
Upscale	N/A*	35%
Upper Midscale	283% ▲	32%
Midscale	700% ▲	14%
Economy	N/A*	

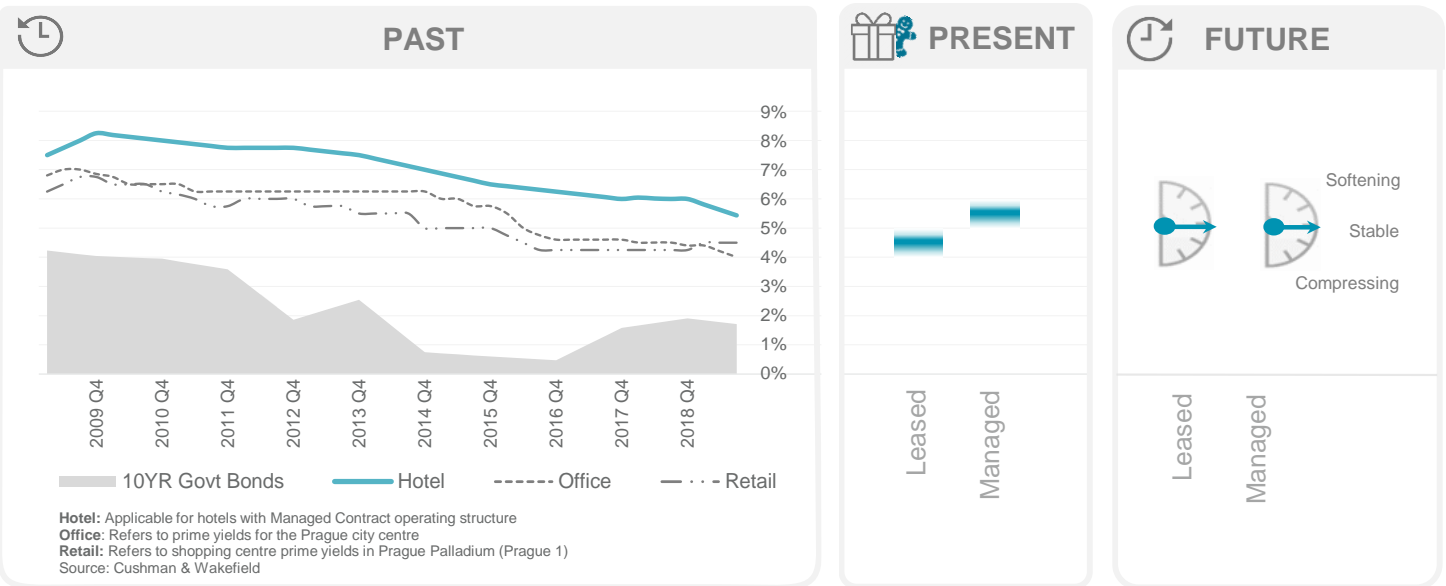
N/A - No transactions of this class were recorded

### TRANSACTION VOLUME BY OPERATING STRUCTURE (YE Q4 2019, % SHARE)



N/A - "Not Applicable" as no transaction in previous year

## PRIME YIELD TRENDS



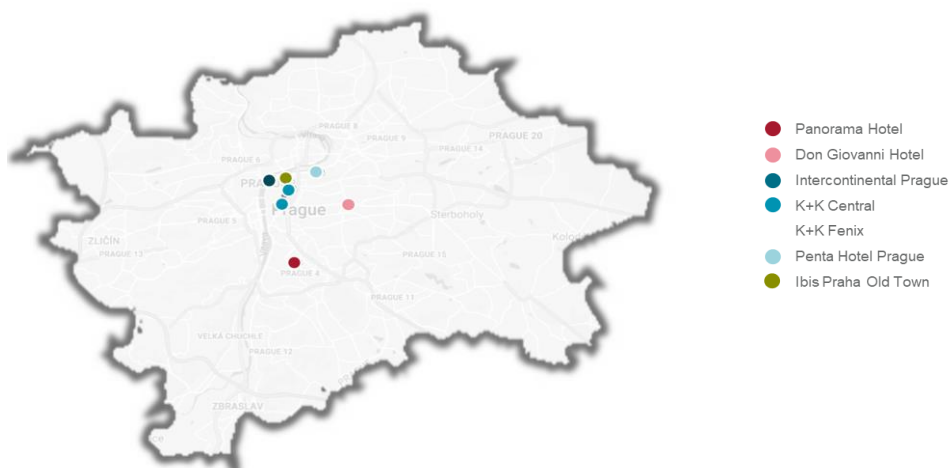
## MAJOR DEALS

### SELECTED MAJOR HOTEL TRANSACTIONS (PRAGUE, YE Q4 2019)

Year	Property	Market	Keys	Buyer	Buyer Origin	Seller	Seller Origin
2019	Panorama Hotel	Prague 4	440	S+B Gruppe	AUT	Corinthia Hotels International/Legner Holding	MLT
2019	Don Giovanni Hotel	Prague 3	412	Wenaasgruppen	NOR	Mornington Capital Ltd	GBR
2019	Intercontinental Prague	Prague 1	372	R2G	CZE	Best Hotel Properties, Westmont Hospitality	SK / CAN
2019	Ibis Praha Old Town	Prague 1	288	Amundi	FRA	Cecopra a.s.	CZE
2019	K+K Central, K+K Fenix (part of 10-Property Portfolio Deal)	Prague 1	255	InterGlobe, Event Hotel Group	IND, DEU	Goldman Sachs, Highgate Inc.	USA
2019	Pental Hotel Prague (part of 19-Property Portfolio Deal)	Prague 8	227	Aroundtown	ISR	CTF Development	USA

Source: Cushman & Wakefield

### PRAGUE TRANSACTIONS - MAP VIEW (YE Q4 2019)



Source: Cushman & Wakefield

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