

### MARKET FUNDAMENTALS

	YOY Chg.	12-Month Forecast
<b>5.15%</b> Prime Yield (IND)	▲	▬
<b>5.75%</b> Prime Yield (OFF)	▲	▼
<b>€1,060 M*</b> YTD Volume	▼	▲

\*Excluding transfers within the same ownership group

### ECONOMIC INDICATORS

	YOY Chg.	12-Month Forecast
<b>1.7%</b> GDP Growth**	▲	▲
<b>2.5%</b> Unemployment Rate**	▼	▬
<b>2.5%</b> 5-Yr EUR Swap***	▼	▼
<b>3.8%</b> 10-Yr Czech Government Bonds**	▼	▼

\*\*Forecast \*\*\*End of period  
Source: Moody's Analytics

### ECONOMY: THE CZECH ECONOMIC GROWTH IS RESUMING FOLLOWING AN EXTENDED PHASE OF STAGNATION

The Czech Republic's economy is finally beginning to recover after a prolonged period of stagnation, with consumer spending playing a key role in driving growth. Household expenditures are expected to pick up pace, though the recovery will likely be uneven. High import levels and a drawdown in inventory stocks may temper the gains from rising consumption. As a result, real GDP growth in 2024 is projected to be modest, with a stronger uptick expected toward the end of the year.

Inflation rates will remain significantly lower than those experienced in 2022-2023, though this year's forecast has been slightly revised upward. Overall, inflation remains within the Czech National Bank's (CNB) target range, and core inflationary pressures continue to ease. However, a recent unexpected rise in inflation, coupled with persistently high service costs and robust wage growth, may lead the CNB to take a more cautious stance on lowering interest rates.

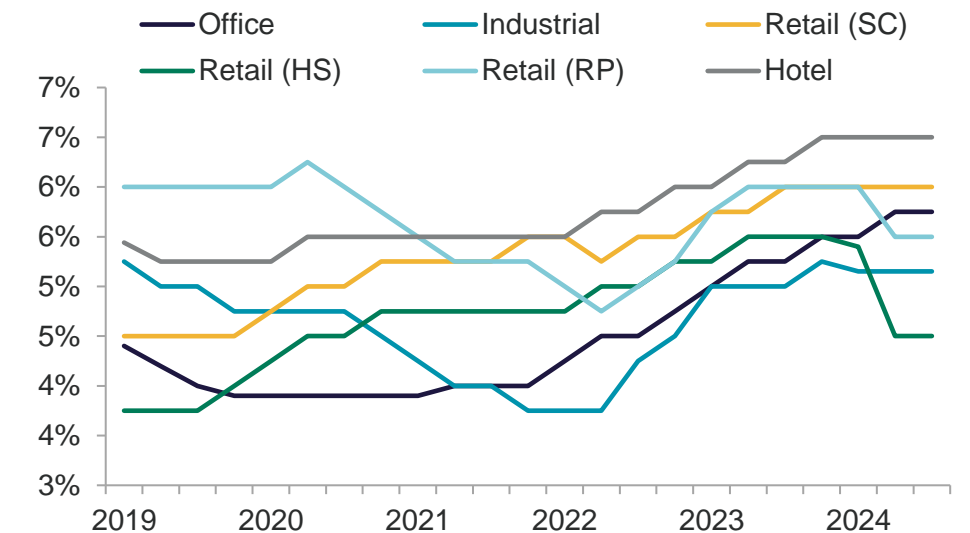
### INVESTMENT OVERVIEW: Q3 2024 INVESTMENT VOLUME DROPS, KEY DEALS EXPECTED BY YEAR-END

In Q3 2024, the total volume of real estate investment transactions reached approximately €197 million, representing a 50% decline compared to the same period last year and a 59% drop from the previous quarter. The total investment volume for the first three quarters was around €1.1 billion. According to our statistics, several significant transactions are expected to be finalized before the end of the year. While the first two quarters saw strong interest in retail (32%) and office investments (25%), the office sector accounted for only 7% of total investments in the third quarter. In Q3 2024, investments in the retail sector (34%) and the industrial sector (29%) dominated, followed by the residential sector at 26%.

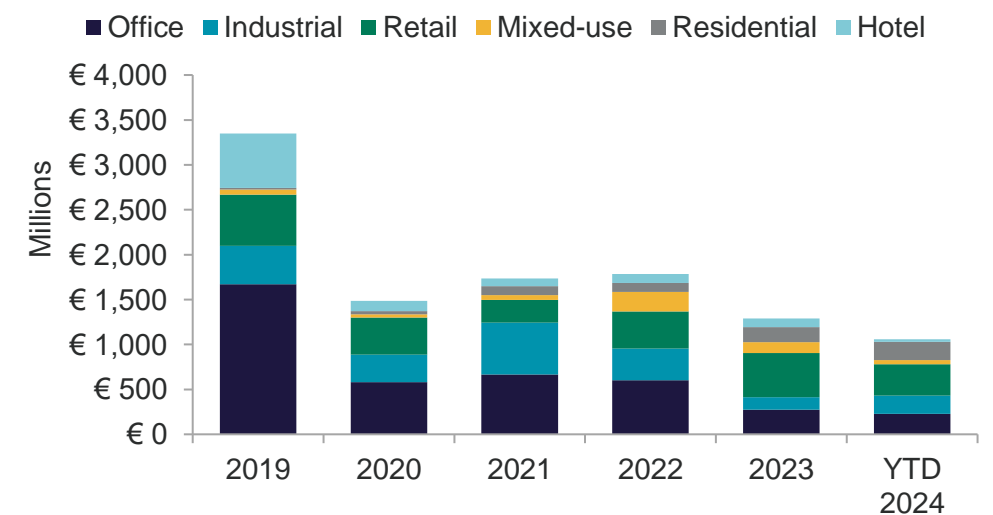
The most significant transaction in Q3 2024 was the forward purchase of the residential rental housing project Nový Opatov G1 by the REICO ČS nemovitostní fond. Since the beginning of the year, domestic investors have accounted for over 88% of the total investment transaction volume.

In Q3, prime yields remained stable across all sectors. The office sector prime yield held steady at 5.75%, while logistics prime yields stayed unchanged at 5.15%. The high street prime yield remained at 4.50%, with stability also observed in shopping centres at 6.0% and retail parks at 5.50%.

### PRIME YIELD TREND



### INVESTMENT SALES VOLUME BY SECTOR



INVESTMENT ACTIVITY YTD 2024

PROPERTY TYPE	YTD NO. OF TRANSACTIONS	YTD SALES VOLUME (€ MILLION)	PRIME RENT (SQ M/MTH) / REVPAR (PER ROOM)	PRIME YIELD
Office	9	229	€30.00	5.75%
Industrial	7	203	€7.50	5.15%
Retail	11	347	High Street	€225.00 / 4.50%
			Shopping Centre	€142.00 / 6.00%
			Retail Park	€14.00 / 5.50%
Mixed-use	2	49	n/a	n/a
Residential	9	203	n/a	n/a
Hotel	1	28	€81.00	6.50%
<b>TOTAL</b>	<b>26</b>	<b>1,060</b>		

ECONOMIC SUMMARY

ECONOMIC INDICATORS*	2020	2021	2022	2023	2024 <sup>F</sup>	2025 <sup>F</sup>	2026 <sup>F</sup>
GDP Growth (PPP)	-5.3%	4.0%	2.9%	0.0%	1.2%	2.7%	2.6%
Private Consumption Expenditure	-7.2%	4.1%	0.5%	-2.7%	2.2%	4.2%	3.4%
Unemployment Rate	2.5%	2.7%	2.2%	2.6%	2.6%	2.5%	2.5%
Inflation (CPI index)	3.2%	3.8%	15.2%	10.5%	2.1%	2.1%	2.0%
CZK/EUR (average)	26.46	25.65	24.58	24.02	25.11	24.54	23.49
CZK/USD (average)	23.21	21.68	23.37	22.21	22.98	21.51	20.03
5-YR EUR Swap	-0.4%	-0.3%	1.7%	3.1%	2.7%	2.5%	2.4%
Interest Rates: 10-YR Gvn. Bond, (%)	1.1%	1.9%	4.3%	4.4%	3.9%	3.7%	3.7%

Sources: Moody's Analytics

\*Annual % growth unless otherwise indicated

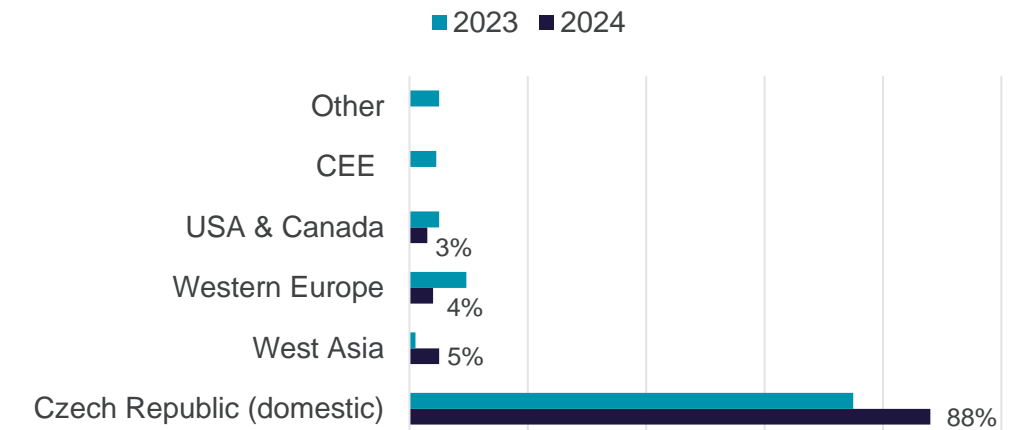
MAJOR INVESTMENT DEALS Q3 2024\*\*

PROPERTY NAME	TYPE	BUYER	SELLER	SIZE (SQ M)	MARKET
Nový Opatov G1	Residential	Reico ČS Nemovitostní	Finep	171 apt.	Prague
Garbe Park Chomutov	Industrial	Fio realitní fond	Garbe	29,600	Chomutov
Obchodní centrum Řepy	Retail	Pragorent investiční fond	Trikaya	14,600	Prague
P3 Green Park Letňany	Industrial	Creditas Nemovitostní	P3	17,100	Prague

Sources: Real Capital Analytics, Cushman & Wakefield

\*\*Selected closed transactions over € 10 million

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