

MARKET FUNDAMENTALS

	YOY Chg.	12-Month Forecast
€1,838* Average monthly wage (EUR)	▲	▲
€225.00 Prime Rent, sq m/month	▬	▬
4.50% Prime Yield	▼	▬

Prime rent and yield for High Street units
*Data for Q2 2024

ECONOMIC INDICATORS

	YOY Chg.	12-Month Forecast
1.2% GDP Growth*	▲	▲
2.5% Unemployment Rate	▼	▬
5.1% Retail Sales Growth	▲	▼
4.4% Retail Sales Volume Index*	▲	▲

*Annual growth estimates
Source: Moody's Analytics

ECONOMY: HOUSEHOLD SPENDING SET TO BOOST RETAIL MARKET

Czechia's economy is beginning to rebound after a prolonged period of sluggish growth, largely driven by a recovery in consumer spending. Household expenditures are expected to keep rising over the coming months, although high import levels and reduced inventories could limit the pace of this growth. Overall, the economy is projected to expand modestly in 2024, although growth is likely to remain slower than in other Central European countries.

The retail market in Czechia is also showing signs of recovery, supported by stronger consumer spending and easing credit conditions. As household incomes improve and inflation stabilizes, consumers are gradually regaining purchasing power, which is boosting retail activity. Retail spending is expected to continue its upward trend.

SUPPLY & DEMAND: STRONG RETAIL PARK EXPANSION EXPECTED BY YEAR-END 2024

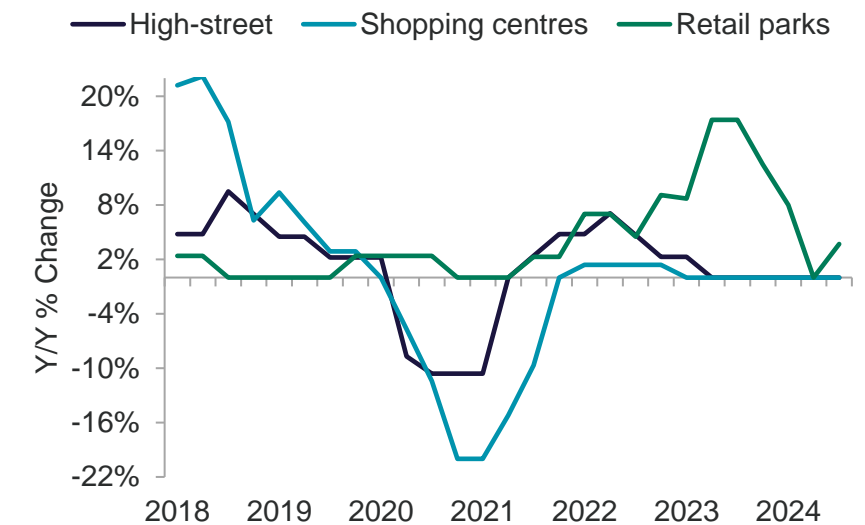
As of Q3 2024, the total retail space reached 3.92 million sq m, spanning shopping centers, retail parks, and outlet centers. In this quarter alone, 3,700 sq m of new retail space were added across two retail parks. Šumperk saw the completion of a retail park with four units, totalling 1,900 sq m, while Lovosice added a park with three units, covering 1,800 square meters. An additional 150,100 sq m of retail space in 29 projects are currently under construction, with 67,400 sq m projected to be completed by the end of 2024. Most of the ongoing projects involve the development of new retail parks or the expansion of existing ones, primarily located around smaller regional towns.

As footfall and occupancy rates improve in shopping centres, many are undergoing renovations to attract more visitors and new stores. According to the latest available data from July 2024, provided by the Shopping Centre Association, visitor numbers increased by 1.8%, bringing the annual total up by 1.4% compared to last year, though still slightly below 2019 levels. Meanwhile, vacant space in shopping centres dropped to an average of 3.5%, the lowest rate recorded since 2019 (excluding February 2024).

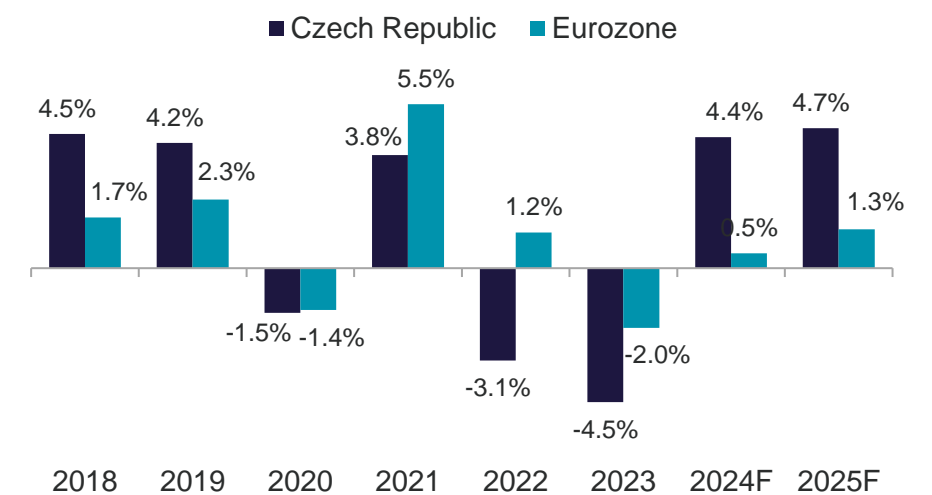
PRICING: PRIME RENTAL LEVELS REMAIN STABLE IN THE RETAIL SECTOR

Prime retail rents for high street premises and shopping centres have remained unchanged since Q2 2022, holding steady at €225.00 per sq m and €142.00 per sq m, respectively. Prime rents for retail parks have slightly increased to €14.00 per sq m. This upward trend in retail park rents is expected to persist in the coming periods as demand for this space strengthens.

PRIME RENT



RETAIL SALES Y/Y GROWTH



MARKET STATISTICS

SUBMARKET	SHOPPING CENTRE STOCK (SQ M)*	SHOPPING CENTRE PIPELINE (SQ M)*	DENSITY (STOCK PER 1,000 INH.)
Praha	909,000	24,100	666
Brno	240,300	27,100	598
Ostrava	232,800	0	821
Liberec	136,800	0	1,274
Olomouc	134,500	21,600	1,281
Plzeň	129,500	7,000	691
Hradec Králové	91,800	0	982
České Budějovice	83,000	0	833
Teplice	70,300	2,000	1,383
Ústí nad Labem	52,600	0	552
Karlovy Vary	44,800	8,500	913
Zlín	56,000	30,100	610
Kladno	42,700	0	622
Pardubice	20,000	41,600	217
Opava	40,800	0	735
CZECH REPUBLIC TOTALS	2,590,100	162,600	239

*Including total leasable area of traditional shopping centres and mixed-use schemes over 5,000 sq m retail GLA

**Only centres with planning permission granted or under construction are included

PRIME RENTS & YIELDS

		PRIME RENTS		PRIME YIELDS	
		SQ M/MTH	Y-O-Y GROWTH	CURRENT Q	LAST Q
HIGH STREET SHOPS	Prague (Pařížská)	€ 225.00	0.0%	4.50%	4.50%
	Brno (Svobody Sq.)	€ 65.00	0.0%	7.75%	7.75%
SHOPPING CENTRES	Prague	€ 142.00	0.0%	6.00%	6.00%
	Brno	€ 65.00	0.0%	7.50%	7.50%
RETAIL PARKS (OUT OF TOWN)	Prague	€ 14.00	3.7%	5.50%	5.50%
	Brno	€ 13.00	13.0%	6.00%	6.00%

KAMILA BREEN

Head of Research & Insight, Czech Republic

Tel: +420 702 296 904

kamila.breen@cushwake.com

JAN KOTRBÁČEK

Head of Retail Agency, CEE

Tel: +420 602 655 806

jan.kotrbacek@cushwake.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield ("CWK"). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK's securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK's affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.