

FRESH DATA

July 2018

CZECH CAPITAL MARKET OVERVIEW PREPARED BY CUSHMAN & WAKEFIELD



Growth to lower as investment and consumption slow

MARKET OUTLOOK

- GDP:** Forecast for the economic growth has been **moderated** due to US tariffs on imports of cars.
- INFLATION:** Inflation **rose to 2.6%** in June and another rate hike is expected in H2.
- INTEREST RATE:** Further **increase** of the interest rates is expected in 2018 and 2019.
- EMPLOYMENT:** Unemployment at a **record-low 3.3%**, vacancies now higher than the number of unemployed.

TOP DEALS, Q2 2018

Metronom

(office, 33,300 sq m): HB Reavis → REICO

Visionary

(office, 23,000 sq m): Skanska Property → CA Immo

OC Breda & Weinstein

(retail, 27,000 sq m): Avestus Capital Partners → Mint Investments

Explora Business Centre

(office, 22,800 sq m): Avestus Capital Partners → Golden Star Group

Hadovka Office Park

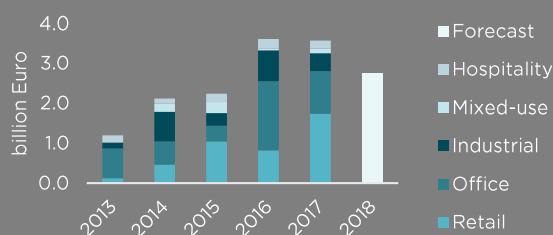
(office, 24,700 sq m): RCM / Europa Capital Partners → Wood & Company

ECONOMIC SUMMARY

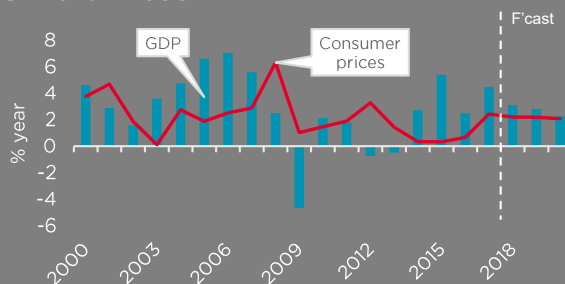
ECONOMIC INDICATORS*	2015	2016	2017	2018 ^F	2019 ^F
GDP Growth	5.4	2.4	4.5	3.1	2.8
Consumer Spending	3.8	4.1	6.5	5.3	4.6
Industrial Production	4.6	2.8	7.0	3.2	3.1
Investment	10.4	-2.5	5.9	6.5	3.1
Unemployment rate	6.5	5.5	4.2	3.3	3.4
Inflation	0.3	0.7	2.4	2.2	2.2
CZK/EUR (average)	27.3	27.0	26.3	25.5	25.0
CZK/USD (average)	24.6	24.4	23.4	21.4	20.5
Interest Rates: 3-month (%)	0.3	0.3	0.8	1.6	2.0
Interest Rates: 10-year (%)	0.7	0.5	1.0	2.1	2.7
Interest Rate Swap, 5-year, EUR	0.3	0.0	0.2	0.4	0.7
Interest Rate Swap, 5-year, CZK	0.5	0.6	0.5	1.6	n/a

Note: * annual % growth unless otherwise indicated. E estimate F forecast
Source: Oxford Economics Ltd., Patria Online

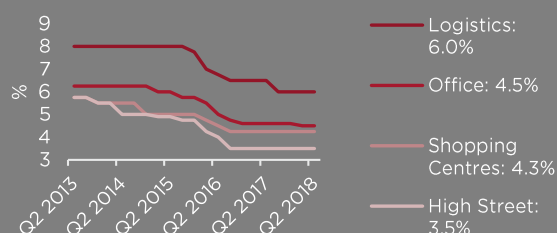
Investment volumes



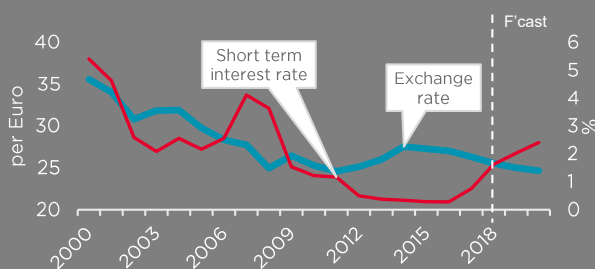
GDP and inflation



Prime yields



Exchange and interest rates



DISCLAIMER

This market overview has been prepared solely for information purposes. It is not intended to be a complete description of the market or developments to which it refers. The information on which this report is based has been obtained from sources we believe to be reliable, but we have not independently verified such information and we do not guarantee that the information is accurate or complete.
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