

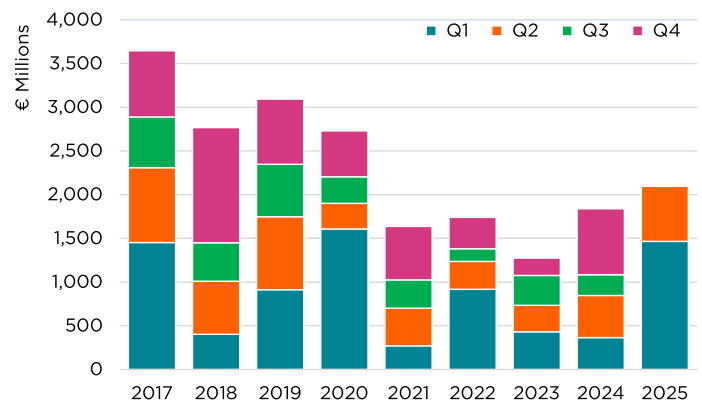
Czech Republic Investment Market



Investment Market Highlights

- In the first half of 2025, commercial properties worth nearly €2.1 billion changed hands in the Czech Republic, marking a y-o-y increase of 147%. Fueled by exceptionally strong activity in the first quarter, the transaction volume for H1 2025 reached its highest level since the first half of 2017. The result also significantly surpassed both the 10-year average of €1.26 billion and the 5-year average of €1.08 billion for the first six months, by 66% and 93% respectively.
- This surge in market activity was mirrored in the number of deals closed. A total of 34 transactions were completed in H1 2025, representing a 70% increase y-o-y and standing 48% above the five-year H1 average.
- Investment volume was relatively evenly distributed across the four main real estate sectors. Industrial assets led the market, attracting 28% of the volume, followed by hotels with 23%, office properties at 20%, and retail assets accounting for 18% of the H1 total.
- Domestic investors continued to dominate the Czech market, accounting for 77% of the H1 2025 investment volume and responsible for 31 of the 34 completed transactions.

Transaction Volumes



Quarterly Statistics

Investment Volume

€630M

YoY change: +30%

Office Yield

5.25%

YoY change: none

Industrial Yield

5.15%

YoY change: -5 bps

Retail Yield

6.25%

YoY change: none

Economic Indicators¹

GDP Growth

+2.0%

(2025 Forecast, YoY)

Inflation

+2.5%

(2025 Forecast, YoY)

Policy Rates

2.1%

3M EURIBOR²

Policy Rates - ČNB

3.50%

2-WEEK REPO RATE

¹ Based on the data available on 16/7/2025 (Source: Czech Statistical Office, Czech National Bank, Ministry of Finance, European Central Bank);

² Q2 2025 average

Market Review Q2 2025

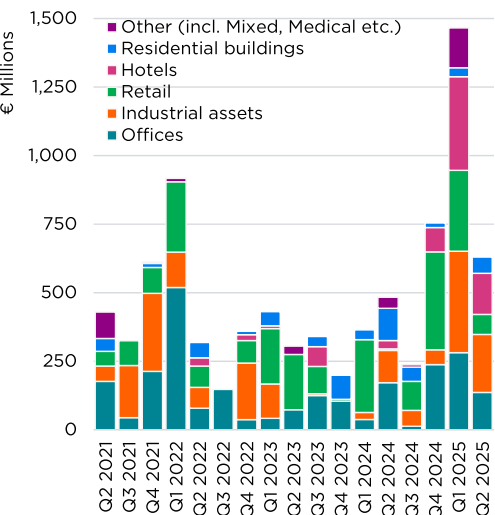
Investment Activity

- As expected, investment activity in Q2 2025 lagged well behind the exceptional performance of Q1. Transaction volume dropped by 57% compared to Q1, reaching nearly €630 million. Despite this q-o-q decline, Q2 2025 investment volume was still 30% higher than the same period last year and 72% above the five-year Q2 average.
- In terms of the number of transactions, activity remained almost identical to Q2 2024, but the deal count doubled compared to Q2 2023, highlighting a steady improvement in market liquidity.
- Y-o-y growth in investment activity was recorded across the retail, hotel, and industrial sectors. Industrial assets attracted the largest share of quarterly volume for the second consecutive period, accounting for 34%. Hotels followed with a 24% share, supported by the quarter's largest transaction - the sale of the Four Seasons Hotel in Prague.
- Office properties ranked third, representing 22% of Q2 2025 volume, and included the sale of Visionary and Stará Celnice, both located in Prague. After three smaller transactions in Q1, the residential sector registered one larger deal in Q2.
- The strong dominance of Czech investors persisted. With the exception of a single transaction, all deals completed in Q2 2025 were backed by domestic capital.

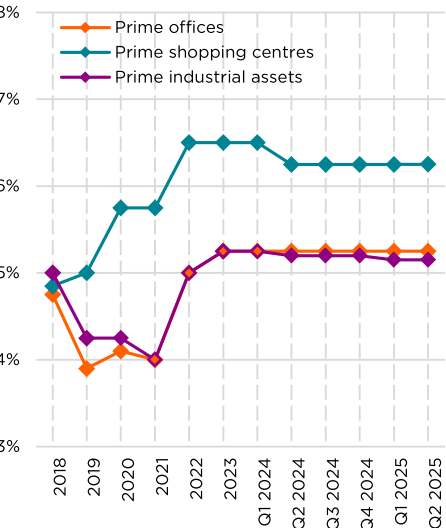
Forecast

- We anticipate that investment activity in the second half of 2025 will surpass both last year's levels and the long-term average. Although the first quarter was atypically high in volume, overall market activity has clearly picked up compared to 2024. This shift reflects improving investor sentiment, underpinned by more stable macroeconomic conditions: inflation has hovered near the central bank's target for a year and a half, and real wages have been rising, driving stronger household consumption - a key driver of GDP. These positive trends have also reignited interest from foreign investors, who are once again looking at the Czech market. Given these factors, 2025 is on track to become the strongest year for investment since 2020.

Investment Volume by Sectors



Prime Yields



Glossary of used terms



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