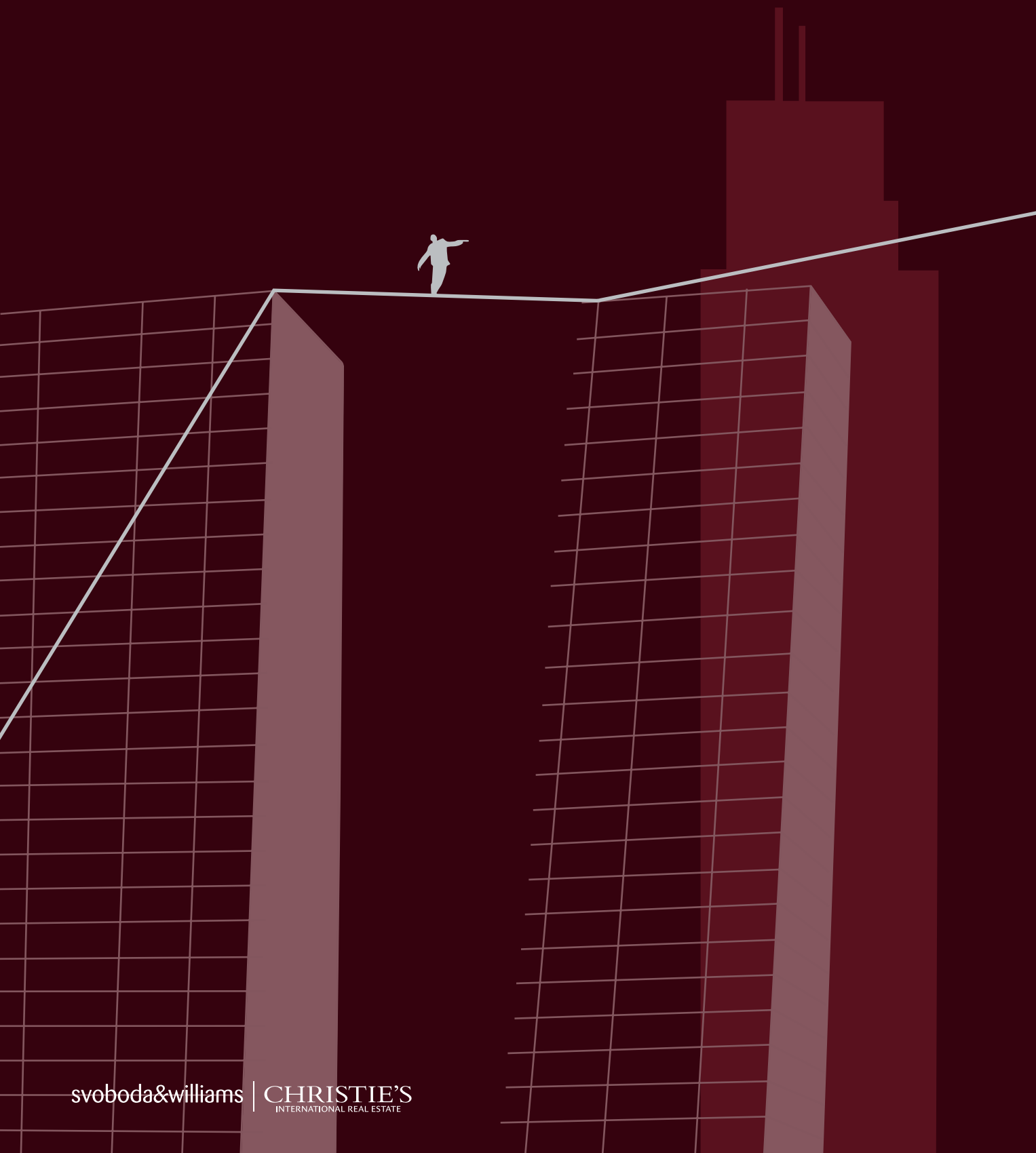
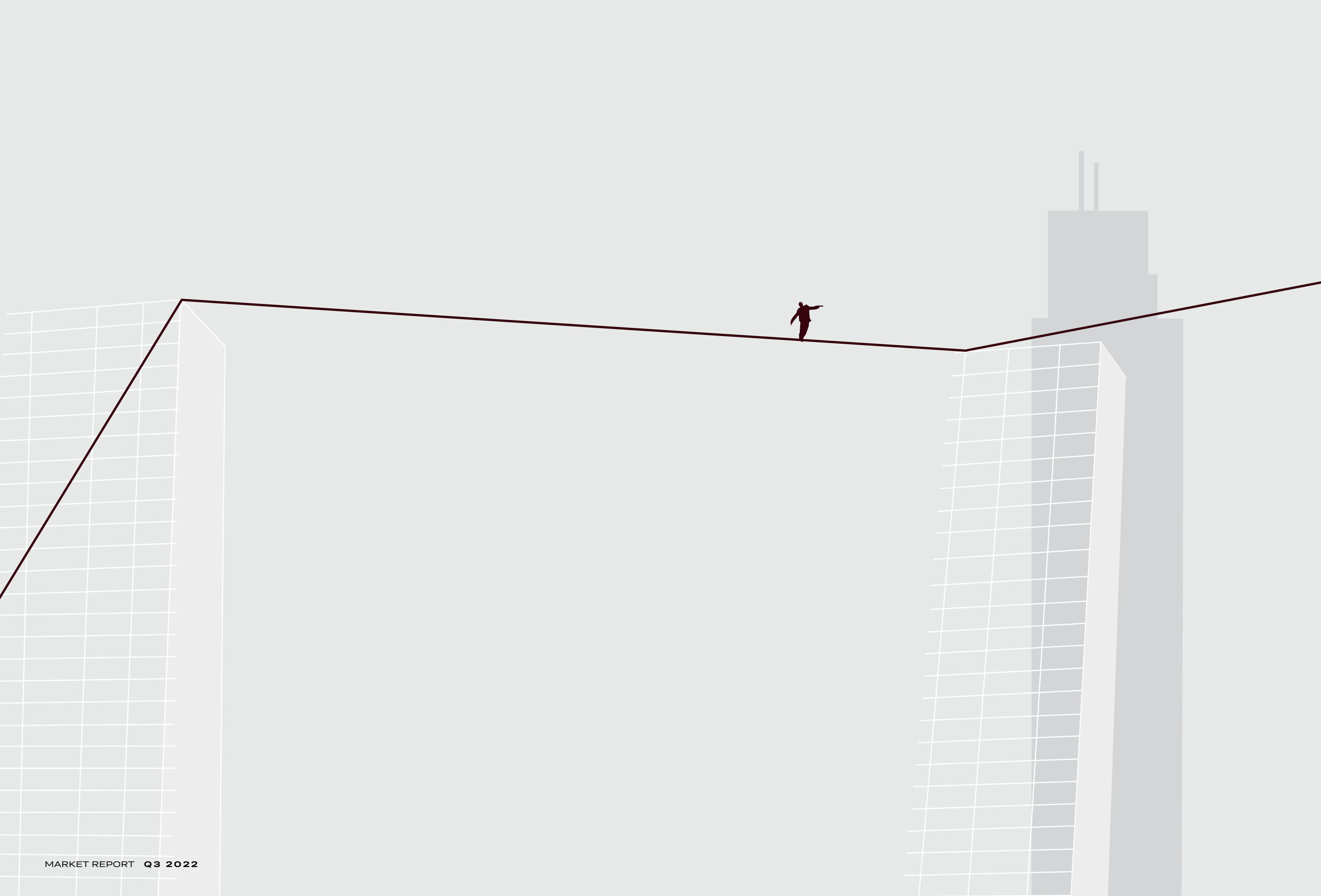


MARKET REPORT

Q3 2022





06

Editorial

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Sample of Properties

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MARKET REPORT Q3 2022
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THE MARKET IS STAGNANT, QUARTERLY DATA SHOWS A MINOR CORRECTION IN PRICES. QUALITY PROPERTIES CONTINUE TO BE POPULAR.



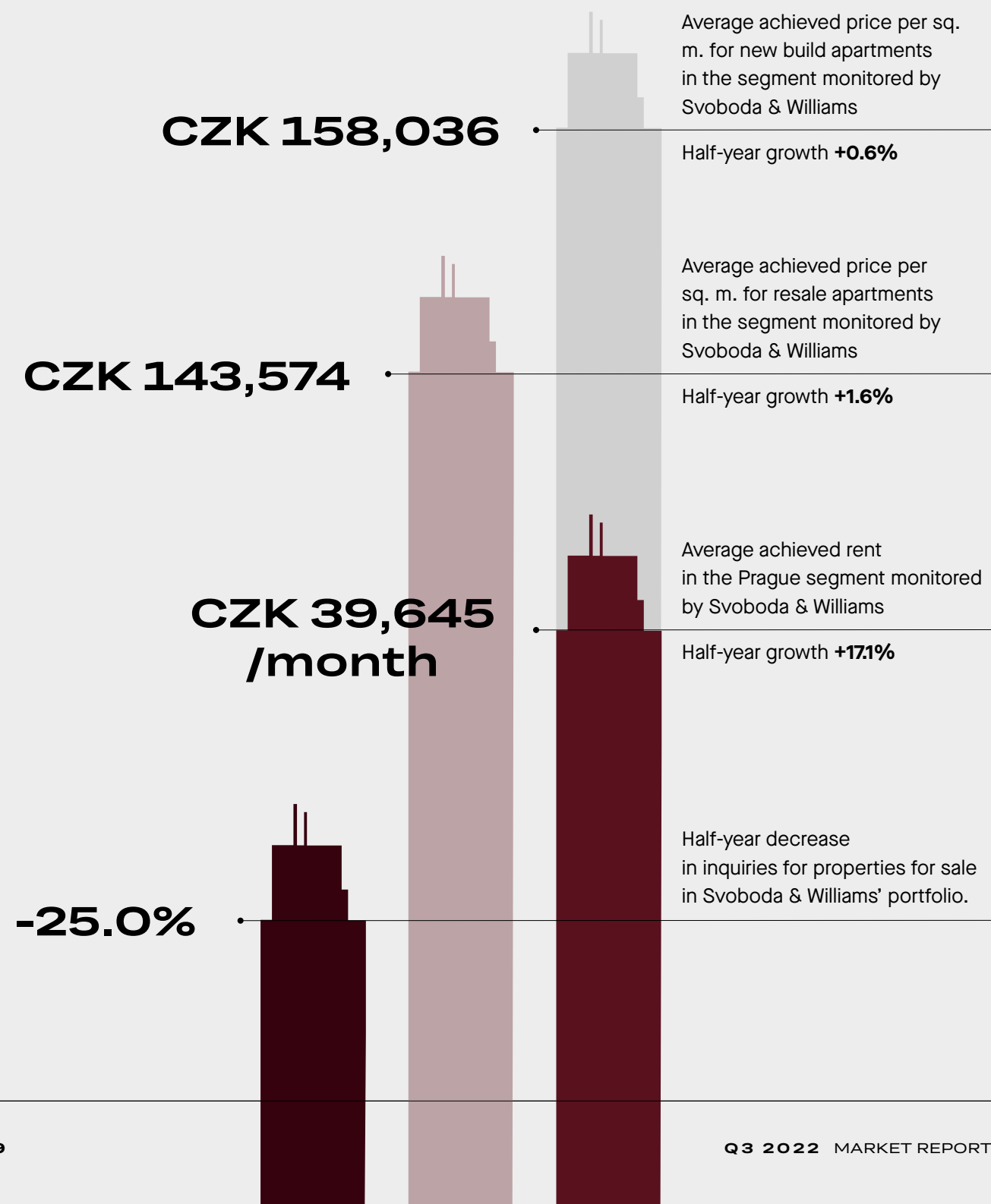
Prokop Svoboda
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Falling demand, a stagnant market, and a slight correction in sold property prices—these are the key trends of the Prague residential market in recent months. After years of growth, the real estate business has been stagnant this year. While at the beginning of the summer the year-on-year increase in property prices in the segment that Svoboda & Williams has been monitoring for a long time stood at almost 10% for new builds and 6.6% for resales, the half-year comparison shows a significant downturn in the growth curve. The rise in prices over the last six months is below 1% and the most recent data for the last three months even indicates a 3% drop in the average price per square meter.

The downturn in the market and the significant decline in inquiries are testing the fundamental value of the offered properties. Although sales of new builds are now stagnant and up to 75% of the transactions completed in the third quarter were resales, we see that interest in quality, carefully constructed residential projects in attractive locations hasn't abated. However, the size and price of the apartments sold is decreasing. Whereas the average size of the units fell by 3.1% in the third quarter, the average price of an apartment sold was 2.6% lower than in the previous half-year.

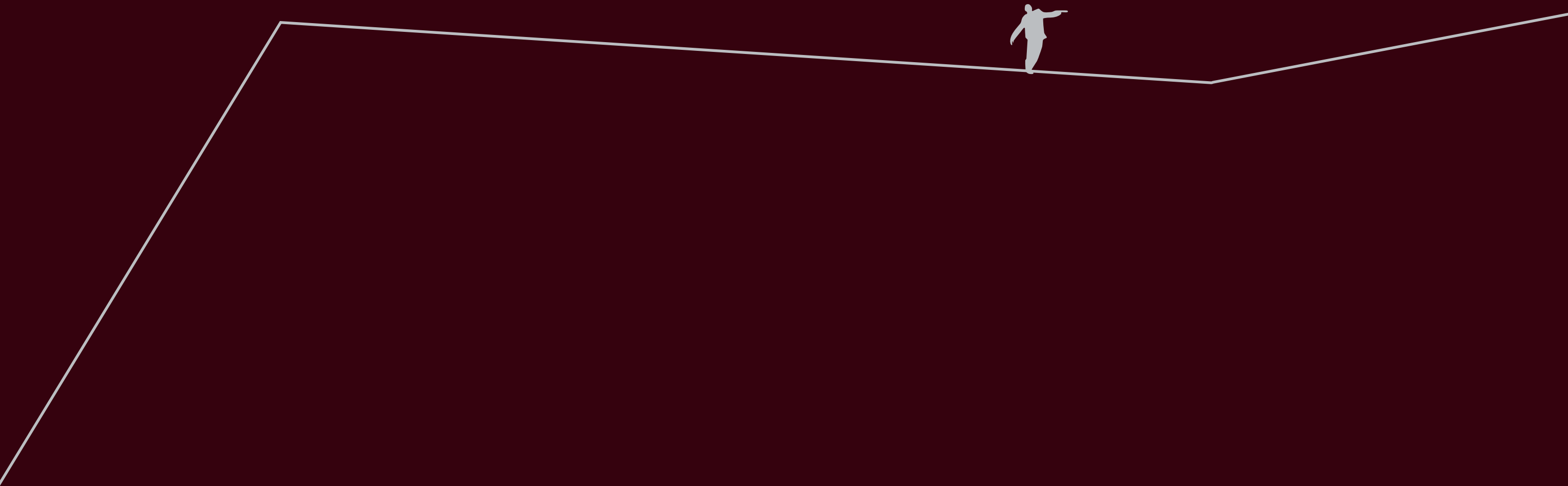
Given the current situation, we want to provide clients with a more up-to-date service, which is why Svoboda & Williams' regular Market Report will be published four times a year starting in October 2022. Next to our traditional semi-annual analysis, we are adding quarterly reports, where we will be processing data from the previous two quarters and compare real estate market developments not on a year-on-year basis, but in two consecutive semi-annual periods.

SAMPLE OF PROPERTIES MONITORED BY SVOBODA & WILLIAMS BETWEEN 4/2022-9/2022 VS. 10/2021-3/2022



PRICE ANALYSIS

The Prague Residential Market
Through the Lens of Svoboda & Williams
4/2022-9/2022



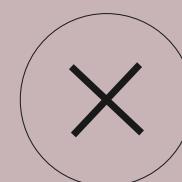
The following analysis is based on data obtained from the database of properties offered by Svoboda & Williams during the monitored period (4/2022–9/2022). Sales transactions were supplemented with data on sales of new builds with parameters that match Svoboda & Williams’ portfolio (in this case, the achieved prices were obtained from the Cadastre of Real Estate). **The sample monitored by Svoboda & Williams contains nearly 280 sold and 500 rented properties over a 6-month period** and therefore covers a significant portion of the premium segment of the Prague residential market.

The monitored properties are apartments in Prague 1–10; other municipal districts are minimally represented. Within each district, most of the properties in the sample are in premium locations with higher achieved prices such as Bubeneč, Dejvice, Střešovice, and Břevnov in Prague 6, Pankrác, Vyšehrad, and Podolí in Prague 4, Karlín and parts of Libeň in Prague 8, Smíchov in Prague 5, etc. The monitored property prices and rents are actually achieved transactions; we don’t monitor advertised prices. To calculate the price per sq. m., we take into account the price for parking spaces, which we deduct from the achieved sales price and we also include a proportional part of the exterior (terraces, balconies, loggias, and gardens) in the floor area of the apartment. To recalculate the exterior area, we apply a specially developed algorithm that progressively reduces this area and takes into account the ratio of the exterior to the interior area. Average prices are calculated from the transactions finalized over the last 6 months; percentage changes are half-year (4/2022–9/2022 vs. 10/2021–3/2022). For sales, we also differentiate between the achieved price per sq. m. for new apartments in residential projects and resale, or secondhand, apartments. The prices

of new apartments are listed including VAT. In order to be able to compare the prices per sq. m. for all apartments, we unified the stage of construction progress for several units using an average assumption of CZK 50,000/sq. m. for the stage prior to reconstruction (shell & core) and CZK 20,000/sq. m. for the stage before the completion of surfaces (white walls). We don’t monitor the price per sq. m. for rentals. While the price per sq. m. is relevant for sales, for rentals the price is determined mainly by layout in addition to location. For example, a one-bedroom apartment with a 50 sq. m. floor area is normally rented for the same price as an apartment with the same layout with a floor area of 60 sq. m., whereas the purchase price of a larger apartment can be up to 15 to 20% higher. Therefore, in our analyses of residential rentals we work with the total rent, and not with the price per sq. m. For a better picture, we also state the achieved price for the most frequent layouts in the sales and rental transactions realized by Svoboda & Williams, i.e., one-bedroom and two-bedroom apartments.

DATA ANALYSIS

METHODOLOGY OF SVOBODA & WILLIAMS



**LISTED
PRICE**



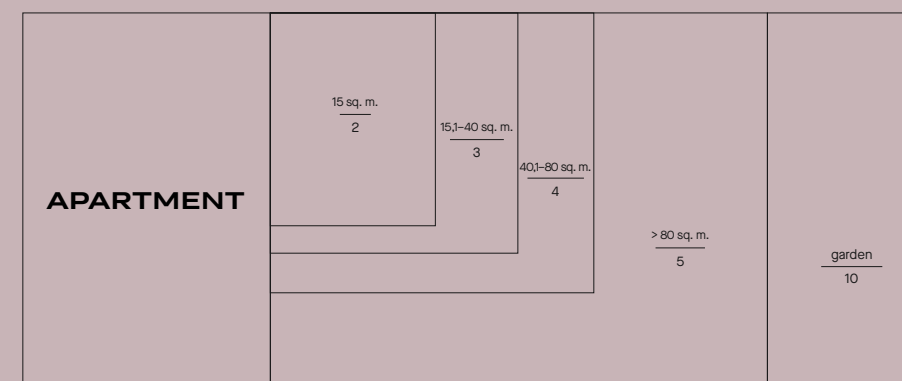
**ACHIEVED
PRICE**

Price per sq. m =

Achieved sales price - price of parking

Apartment area + proportional part of the exterior (b/t/g)

ALGORITHM FOR CONVERSION OF THE EXTERIOR



The area of a terrace that exceeds 30% of the interior is divided by two.

DATA SUMMARY

OVERALL SUMMARY OF AVERAGE ACHIEVED RENTAL PRICES IN MUNICIPAL DISTRICTS (4/2022-9/2022)

Municipal district	Ø Monthly rent	Ø Apt. floor space	Ø Monthly rent	
			1bdm	2bdm
Prague 1	CZK 46,661	105.3 sq. m.	CZK 35,375	CZK 47,846
Prague 2	CZK 43,575	108.0 sq. m.	CZK 28,567	CZK 38,167
Prague 3	CZK 37,789	90.1 sq. m.	CZK 26,906	CZK 40,288
Prague 4	CZK 28,909	81.4 sq. m.	CZK 22,000	CZK 34,250
Prague 5	CZK 42,379	109.4 sq. m.	CZK 28,792	CZK 38,368
Prague 6	CZK 46,748	118.4 sq. m.	CZK 25,384	CZK 38,107
Prague 7	CZK 30,666	75.7 sq. m.	CZK 25,650	CZK 35,429
Prague 8	CZK 38,622	94.2 sq. m.	CZK 29,423	CZK 48,679
Prague 9	CZK 25,870	73.5 sq. m.	CZK 21,250	CZK 36,143
Prague 10	CZK 36,597	94.7 sq. m.	CZK 23,000	CZK 37,675

Source: data of Svoboda & Williams

AVERAGE ACHIEVED RENTS VS. SALES PRICES FOR SPECIFIC LAYOUTS IN PRAGUE 1-10 (4/2022-9/2022)

Layout	Ø Monthly rent	Rentals Ø apt. floor space	Ø Selling price	Sales Ø apt. floor space
studio	CZK 17,450	37.0 sq. m.	CZK 6,055,185	38.7 sq. m.
1bdm	CZK 28,227	68.5 sq. m.	CZK 9,710,738	63.6 sq. m.
2bdm	CZK 41,227	102.0 sq. m.	CZK 14,418,548	96.9 sq. m.
3bdm	CZK 64,721	154.2 sq. m.	CZK 23,767,708	136.4 sq. m.
4bdm	CZK 78,077	208.3 sq. m.	CZK 30,522,392	192.7 sq. m.

Source: data of Svoboda & Williams

DATA SUMMARY

OVERALL SUMMARY OF AVERAGE ACHIEVED SALES PRICES IN MUNICIPAL DISTRICTS (4/2022-9/2022)

Municipal district	Ø Apt. price	Ø Price per sq. m.	Ø Apt. floor space	Ø Price per sq. m.		Ø Apt. price	
				New apt.	Resale apt.	1bdm	2bdm
Prague 1	CZK 20,241,933	CZK 196,204	102.7 sq. m.	CZK 211,583	CZK 175,097	CZK 12,716,667	CZK 18,312,333
Prague 2	CZK 17,430,357	CZK 164,417	106.0 sq. m.	CZK 169,027	CZK 159,024	CZK 9,145,000	CZK 16,448,896
Prague 3	CZK 9,230,076	CZK 143,165	63.0 sq. m.	CZK 153,779	CZK 125,423	CZK 8,564,500	CZK 13,190,894
Prague 4	CZK 13,066,178	CZK 152,059	82.8 sq. m.	CZK 154,820	CZK 133,767	CZK 8,385,831	CZK 13,842,215
Prague 5	CZK 10,556,063	CZK 140,948	72.7 sq. m.	CZK 152,511	CZK 137,407	CZK 8,740,600	CZK 13,442,774
Prague 6	CZK 13,938,421	CZK 138,692	99.2 sq. m.	CZK 144,386	CZK 138,340	CZK 9,101,795	CZK 13,716,253
Prague 7	CZK 13,365,714	CZK 145,372	90.1 sq. m.	CZK 148,687	CZK 133,264	CZK 6,676,496	CZK 13,960,000
Prague 8	CZK 15,038,078	CZK 146,597	99.9 sq. m.	CZK 151,470	CZK 137,792	CZK 10,514,321	CZK 17,802,176
Prague 9	CZK 8,697,500	CZK 125,353	69.6 sq. m.	CZK 129,717	CZK 125,100	CZK 7,457,800	CZK 12,612,340
Prague 10	CZK 11,686,239	CZK 132,675	87.5 sq. m.	CZK 137,689	CZK 121,956	CZK 8,510,000	CZK 12,840,261

Source: data of Svoboda & Williams

PRAGUE

Average values during the monitored period 4/2022-9/2022 and half-year change compared to 10/2021-3/2022

	Ø Apt. price	Ø Apt. size	Ø Price per sq.m.	Ø Price per sq. m.		Ø Apt. price	
				New apt.	Resale apt.	1bdm	2bdm
Sales	CZK 13,603,921	87.7 sq.m.	CZK 152,634	CZK 158,036	CZK143,574	CZK 9,177,659	CZK 14,418,548
	-2.6%	-3.1%	0.8%	0.6%	1.6%	6.9%	-1.3%
Rental	CZK 39,645	100.5 sq.m.	N/A			CZK 28,227	CZK 41,227
	1712%	9.28%				18.14%	20.98%

Source: data of Svoboda & Williams

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