

Prague Residential Market

Supply

In H2 2020, a total of 2,390 apartments in 25 projects were commenced (started construction) in Prague. Compared to H1 2020, the number of newly launched apartments dropped by 15%. Year-on-year, number of commencements increased by 21%. For the entire year 2020, new commencements in Prague reached 5,180 apartments which is in line with 2019 (+3%), however it stands 8% below the 5-year average (2015-2019). Based on the number of projects in advanced stage of preparation, the number of commencements in 2021 is expected to reach approximately 5,600 apartments.

In H2 2020, Prague 4 was the leading district in terms of new completions with more than 790 new apartments delivered (23% of the total) and moved Prague 9 to the second place (20%). In newly launched projects, Prague 5 continued to be the district with the highest volume of newly commenced apartments reaching nearly 600 units (25% of the total) during the period.

The total number of apartments in under construction phase reached 9,250 units at the end of H2 2020 which indicates a slight decrease in construction activity after strong results in H1 2020. However, the construction activity remains high and exceeds the 5-year average by 3%. Bi-annually, the construction activity mostly increased in Prague 8 (+32%).

New Residential Supply in Prague



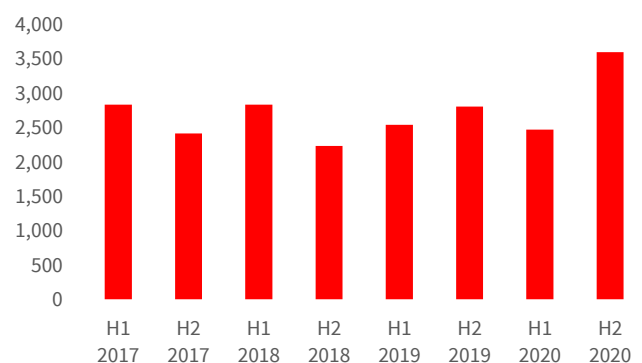
Source: JLL, February 2021

The total number of completed apartments reached approx. 3,440 units in 39 residential projects in H2 2020. In comparison with H1 2020, the increase in deliveries nearly doubled (+87%). Compared to strong H2 2019 results, H2 2020 levels are only 3% weaker. For the entire year 2020, the total number of completions reached 5,280 units which shows a slight decline y-o-y (-5%) and also against the 5-year average (-4%). For 2021, the number of apartments scheduled for completion is expected to reach 5,100 units.

Demand

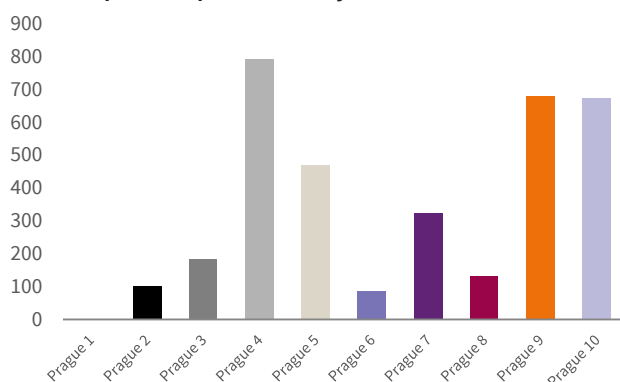
During H2 2020, a total of 3,600 units were sold in newly build apartment buildings and fully refurbished projects. It is the best result since H2 2016 showing a strong improvement both bi-annually (+46%) and annually (28%). For the entire year 2020, the number of sold apartments reached 6,070 units (+14% y-o-y). Due to the very strong H2 2020 results, the current sales for the full year 2020 are the second-best annual result in the last five years, standing 2% above the 5-year average (2015-2019).

Number of Sold Apartments in Prague



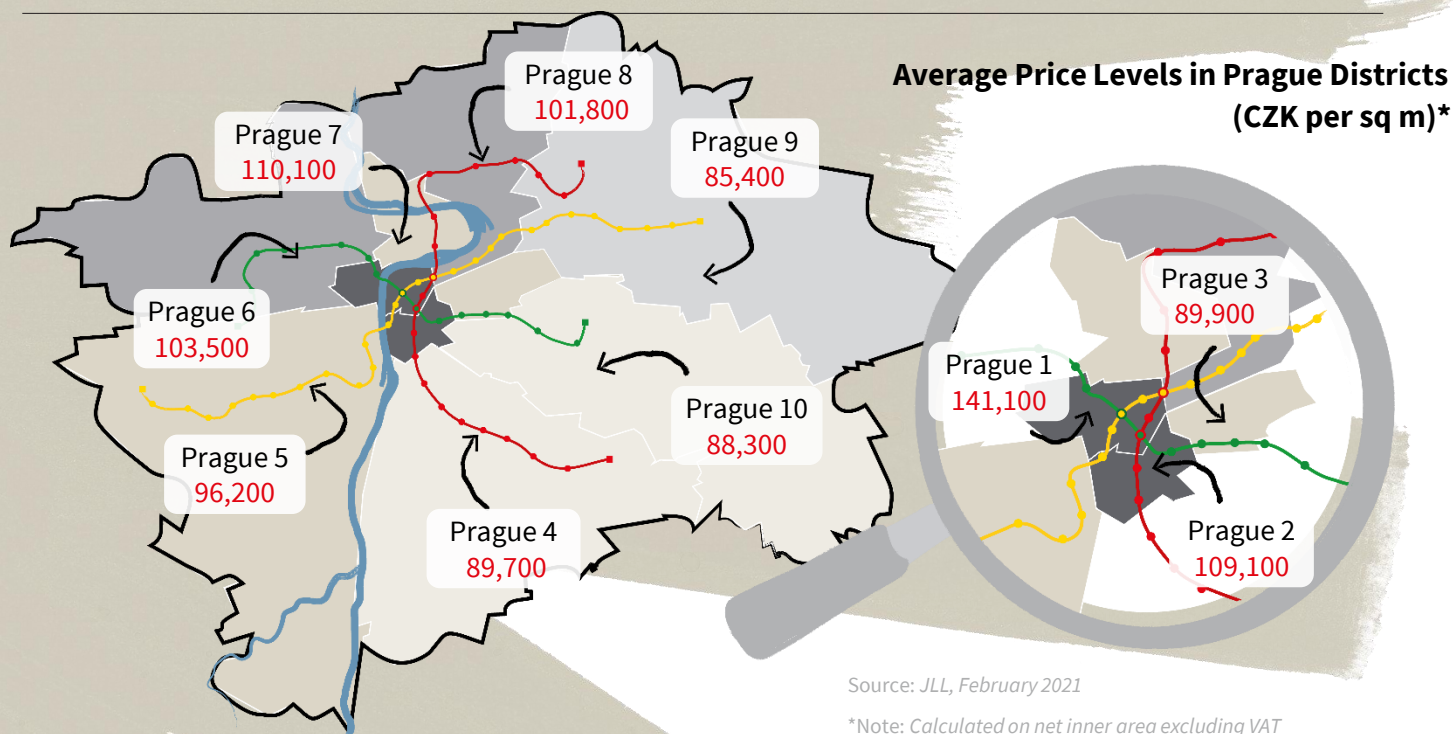
Source: JLL, February 2021

Completed Apartments by Districts in H2 2020



Source: JLL, February 2021

In H2 2020, the largest volume of sold apartments was registered in the Prague 5 district with 26% share on the total, followed by Prague 4 (18%). The most popular 2kk apartments further increased their share on sales from 41% in H1 2020 to the current level of 46% in H2 2020. The second most demanded apartment category were 1+kk apartments (studio) with 21%. 3kk (2-bedroom apartments) registered 20% share of the total sales.

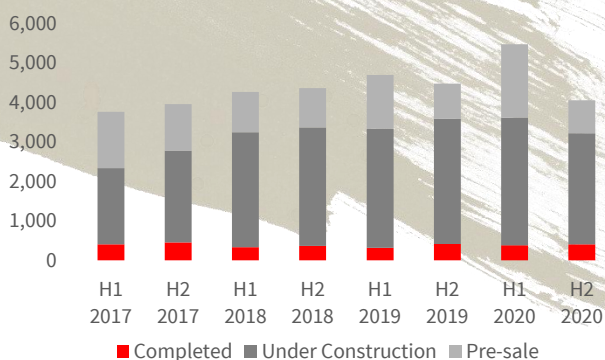


Available Apartments

At the end of H2 2020, due to strong sales, the number of new apartments available for sale in Prague decreased bi-annually by more than 26% to approximately 4,050 units. Majority of these are in under construction phase which form 69% of the total offer. Compared to H1 2020, the largest decrease was registered in availability of apartments in a pre-sale phase. Bi-annually their number dropped by more than a half. The highest offer was registered in Vysočany (Prague 9), followed by the Modřany cadastral district (Prague 4).

During H2 2020, the largest share of available apartments on the market offered for sale was for the third time in a row within the price range between 80,000 CZK to 100,000 CZK per sq m. These apartments currently increased their share from 55% to the level of 58%. The share of apartments with asking prices between 100,000 -120,000 CZK per sq m is on the rise as well and represents 24% of the current offer on the market.

Available Apartments in Prague

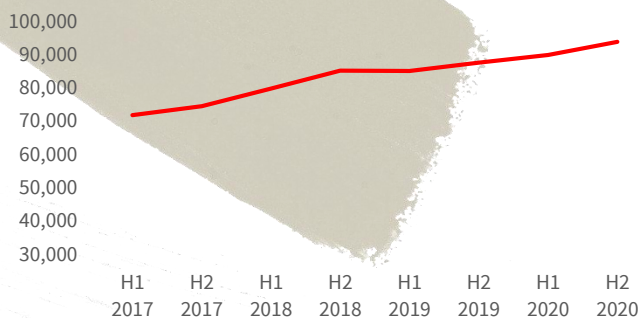


Source: JLL, February 2021

Price levels

Based on JLL statistics, following the average prices for new build residential and fully refurbished projects, the average sales price for apartments, which are currently available for sale on the market, reached 93,800 CZK per sq m, showing an annual increase of 7%. This represents the net price calculated on inner floor area and excludes VAT.

Asking Price Levels in Prague* (CZK per sq m)



Source: JLL, February 2021

* Note: Calculated on net inner area excluding VAT



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