

# 15 years in the EU



## 15 years of building changes in the Czech Republic

It has been 15 years since the Czech Republic joined the EU and during that time our country has been transformed economically, societally and physically – no more so than in the built-up space around us.

It is not just the skyline of Prague that has changed; the whole landscape of the Czech Republic is transforming at a deeper, more fundamental level. This Savills infographic of time and space attempts to lay out those radical changes in the Czech real estate market that have taken place over the past decade and a half, from the tripling of investment volumes, to the eight-fold increase in industrial stock; from the first modern shopping mall to the arrival of the sharing economy which is heralding a new revolution in the way we perceive the urban space.

The actors in the built-up space and the legal environment in which they operate have altered too: some western supermarket chains have come and gone, while others like Kaufland and Lidl stayed and prospered; the German and Austrian investors who initially jumped into the market have since

been replaced mostly by local capital, though others like those from South Africa and South Korea are constantly arriving to deepen the investor pool; Starbucks and Costa Coffee seem as ubiquitous as the traditional coffee shops; and the billboards along the new and refurbished highways might be disappearing, but modern warehouse parks to serve 21st century supply chains are springing up along the main transport routes.

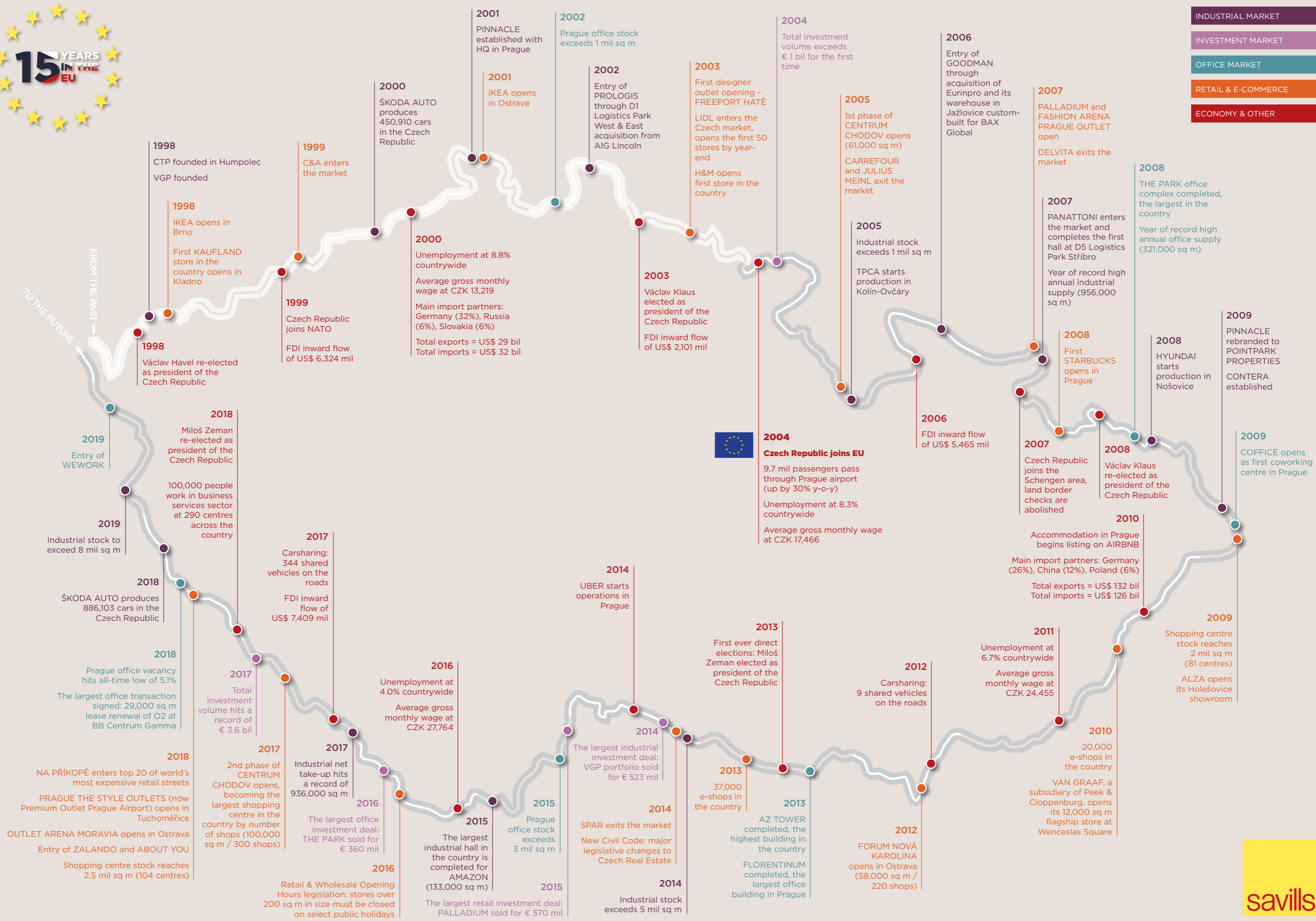
The Czech real estate market has, to a large degree, been following global trends, though it is also a leader – for better and worse – in other respects. Its proptech companies, backed by a well-educated and talented IT-proficient workforce, are highly prized; the business service sector, which has surpassed 100,000 employees located in about 300 modern, purpose-built business centres across the Czech lands, is now a regional

hub; but the availability of housing in the Czech Republic is now the worst in Europe, with a new flat amounting to a multiple of 11.3 times the average annual income.

The Czechs are rightly proud of their architectural heritage; Prague is a uniquely well-preserved city with some of the finest examples of period buildings in the world. However, most accept that no urban landscape can be preserved in aspic; cities are products of construction, demolition, re-modelling, re-purposing – all in tune with the prevailing architectural ideas of the time and in pursuit of the greater good. This leaves one wondering what the Czech Republic will look like in another decade, when it celebrates its silver anniversary of EU membership. At Savills, we're looking forward to working with you and being part of that exciting transformation.



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Sources: Czech Statistical Office, Czech National Bank, Heureka, Prague Airport, ABSL, OECD, ICSC, AČC, Deloitte, Savills Research



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