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**Press Release**

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**Regional Research Forum Presents H1 2014 Brno and Ostrava Office Market Data**

**Introduction**

The members of Regional Research Forum – CBRE, Colliers International, Cushman & Wakefield, DTZ and JLL – aim to provide clients with consistent, accurate and transparent data about the regional office markets in the Czech Republic. The members share non-sensitive information and believe that the Regional Research Forum will contribute to the improvement of transparency on the regional Czech office markets.

The Regional Research forum is pleased to announce the Brno Office Market figures for H1 2014.

**Brno Office Supply/Stock**

Total modern office stock in Brno reached 461,500 sq m in the first half of 2014. A class properties represent 79% of the modern stock and B class properties represent the remaining 21%.

During H1 2014, three new office properties were completed: Titanium I (13,200 sq m), CTPark Brno Phase II (9,500 sq m) and Úřad Práce Město Brno (10,000 sq m).

Further 32,900 sq m of new office space is under construction, with completion expected during H2 2014.

**Brno Office Take-up**

In H1 2014, gross take-up (including renegotiations) reached 9,000 sq m. The notable deals were the new lease of Moravia IT in Česká Pojišťovna building (2,000 sq m), the new lease of Tieto Czech s.r.o. in Brno Business Park D (1,800 sq m) and the expansion of embedIT (Home Credit Group) in Tower I (830 sq m).

**Vacancy**

A total of 80,300 sq m of modern office space was vacant at the end of H1 2014. The vacancy rate reached 17.4%, representing a decrease by 170 basis points compared to the H2 2013.

**Rents**

In H1 2014, prime headline rents in the Brno office market decreased to 12.50 EUR/ sq m/ month.

The Regional Research forum is pleased to announce the Ostrava Office Market figures for H1 2014.

**Ostrava Office Supply/Stock**

Total modern office stock in Ostrava exceeded 194,200 sq m in the first half of 2014. A class properties represent 73% of the modern stock and B class properties represent the remaining 27%.

During H1 2014 no new office buildings were completed or started construction.

**Ostrava Office Take-up**

In H1 2014, gross take-up (including renegotiations) reached almost 8,100 sq m. Notable deals were the new leases of ABB (3,000 sq m), AXA Assistance (2,000 sq m) and UniCredit Bank and Leasing (1,000 sq m) in Nova Karolina Park.

**Vacancy**

A total of 43,800 sq m of modern office space was vacant at the end of H1 2014. The vacancy rate stood at 22.5%, representing a decrease of 300 basis points compared to H2 2013.

**Rents**

In H1 2014, prime headline rents in the Ostrava office market decreased to 11.50 EUR/ sq m/ month.

**Definitions**

**Stock:** Total completed office space (occupied and vacant), newly built since 1992 or refurbished, A and B class offices, owner occupied and for lease. Public authorities’ buildings and buildings with leasable area lower than 800 sq m are excluded.

**New supply:** Completed newly built or refurbished buildings that obtained a use permit in the given period.

**A Class Office Building:** To earn Class A status a building must meet at least 6 out of 7 "Hard Criteria" and 5 out of 7 "Soft Criteria".

**B Class Office Building:** To earn Class B status a building must meet at least 2 out of 7 "Hard Criteria" and 4 out of 7 "Soft Criteria".

**Take-up:** A gross figure representing the total floor space known to have been let or pre-let, sold or pre-sold to tenants or owner-occupiers over a specified period of time. It does not include space that is under offer. A property is taken up when the contract is signed. Total take-up includes renegotiations, lease extension and subleases, net take-up excludes these.

**Pre-lease:** Active pre-leasing for an office building begins as soon as preliminary design drawings are ready to show to prospective tenants. Pre-leasing occurs until the start of construction.

**Vacancy rate:** Ratio of physically vacant space in completed buildings on the total stock.

**Prime rent:** Achieved rents that relate to new prime, high specification units in prime locations.

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