

# Residence Ječná , Prague 2



## Overview of Building, Valuation and Terms for Sale

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# PROPERTY IN PRAGUE

Investments · Buyer Representation · Due Diligence · Property & Asset Management



# Building Overview

- 8 Fully Reconstructed Apartments
  - Total Saleable Area of Apartments: 555m<sup>2</sup>
  - Rental Income from Flats is EUR 180,000/year
- 2 Prime Retail units on the ground floor
  - Total Leasable Area: ~186m<sup>2</sup>
  - Currently Leased with EUR 36,000/year income
- Total Building Area: ~800m<sup>2</sup>

# Building Description

- The building was built at the end of 19th century and is located in a residential & commercial zone of the district New Town.
- This building was completely reconstructed in 1999 and rebuilt into a into a stylish and comfortable residence Ječná.
- Within the reconstruction, some various decorative elements were highlighted such as decorations of the Renaissance type atrium arch by the entrance, woodcutting door, some show cases



# Unit Types

- Flats: 3 x 2+kk with balcony (60m<sup>2</sup>/flat), 3 x 2+kk (65m<sup>2</sup>/flat), 1 x 3+kk with 2 bathrooms and terrace, partly mezonet (80m<sup>2</sup>) and 3+kk with 2 bathrooms, partly mezonet (100m<sup>2</sup>).
- Non-residential space in 1st floor total 93,1m<sup>2</sup> rented as shops
- Non-residential space in ground floor total 93,45m<sup>2</sup> – used by owner
- Retails and apartments are rented, total rent income is cca 5 000 000CZK per year.

# Apartments Description

- Luxuriously furnished and fitted with air-conditioning.
- All windows are double-glazed with anti-rust insulation
- All flats are equipped with security system, security door, safe, home telephone, TV with satellite antenna and digital receiver.
- New Lift to all floors available.
- All kitchens are fitted with fridge, freezer, ceramic hob with extractor fan, oven, microwave, dishwasher, necessary dishes.
- All bathrooms have shower bath, bidet, WC, hairdryer and washing machine with dryer.



# Location

- Address:

- Ječná 1635/35,  
Prague 2, Nové Město (“New Town”)

- Centrally Located within the most prestigious and beautiful city in Central & Eastern Europe

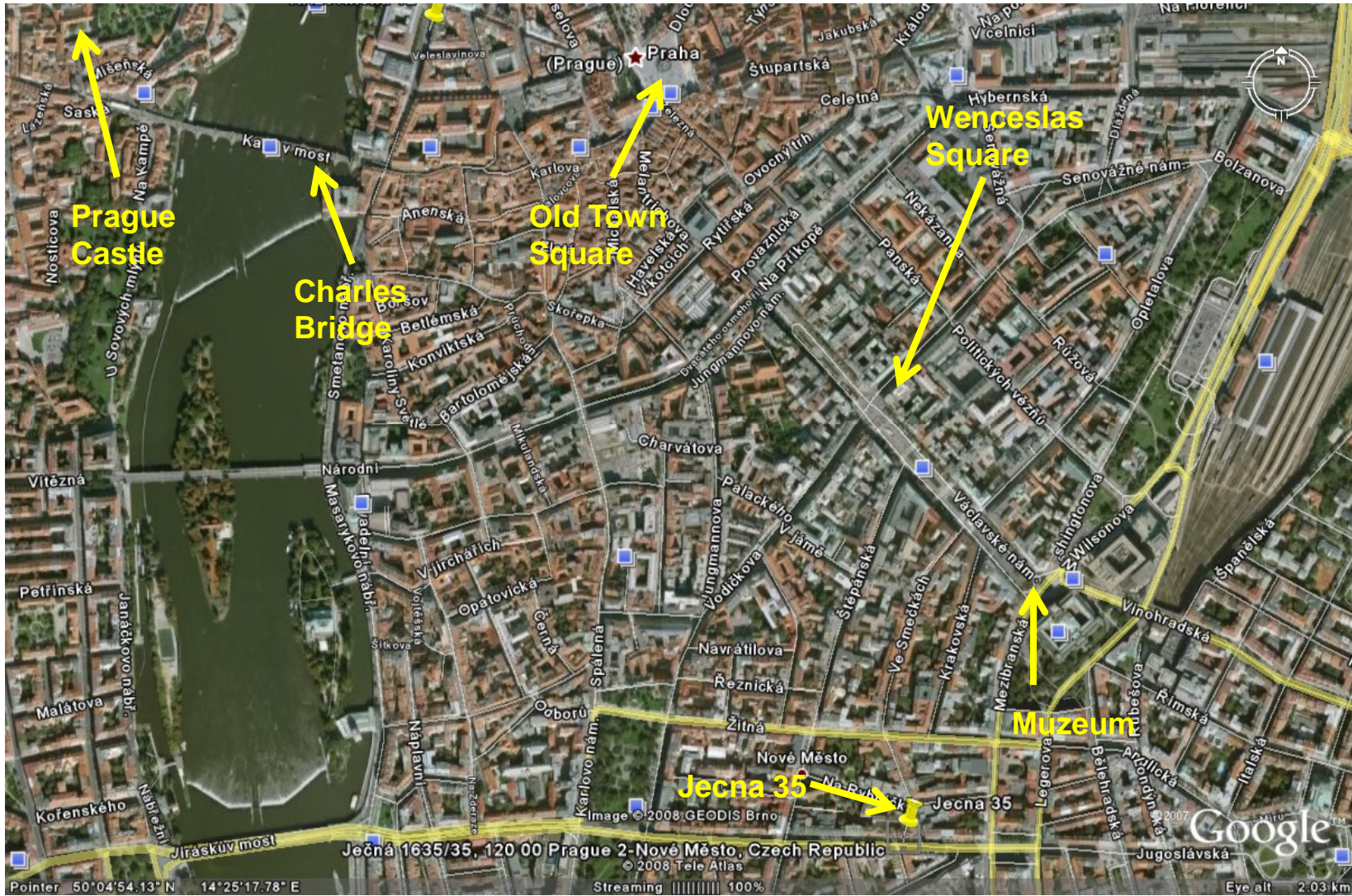
- 500 metres from the famous Wenceslas Square and the Muzeum
- 200 metres from “Charles Square”

- Public Transport:

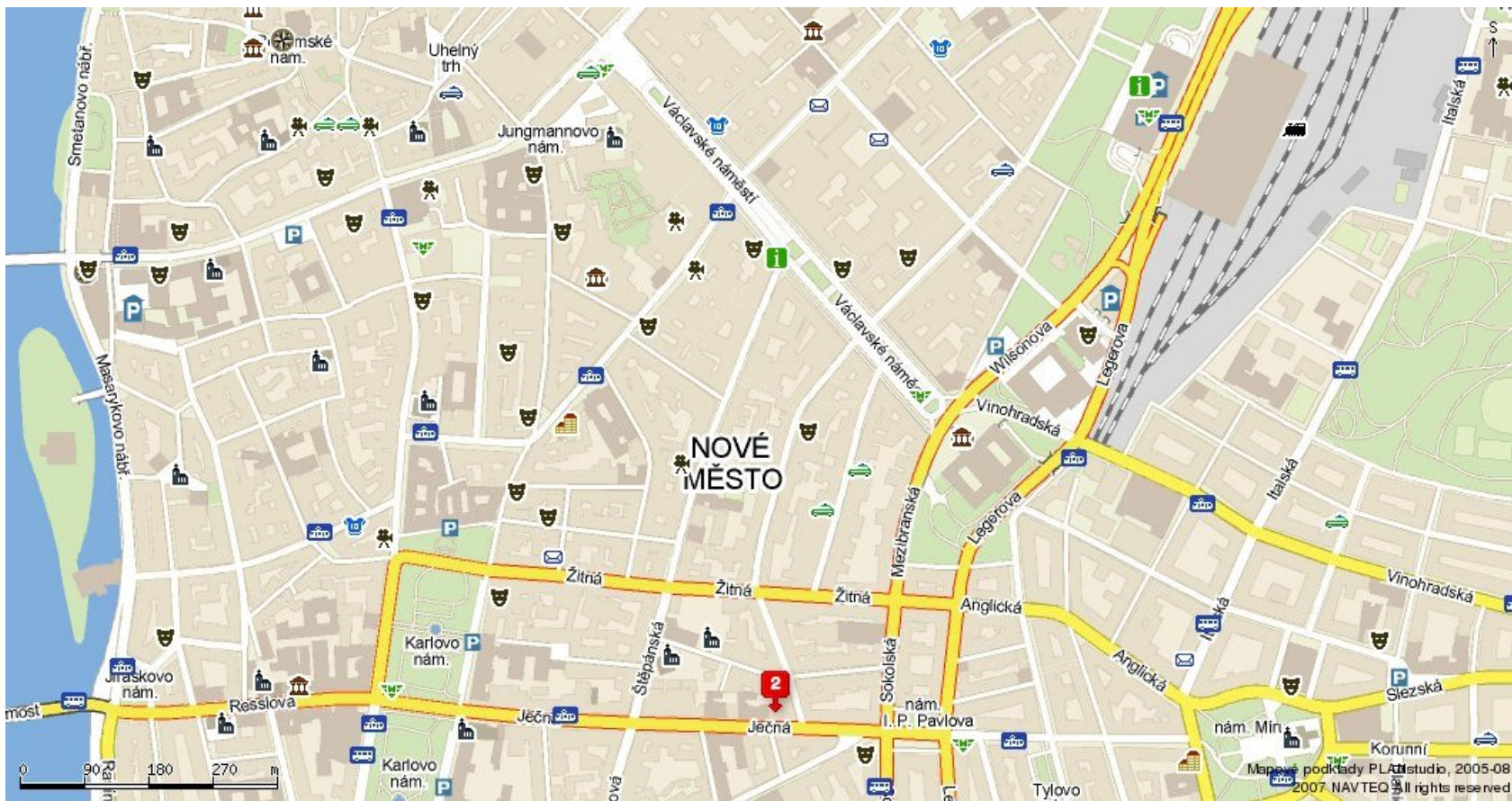
- 200 metres from the Metro Line
- 30 metres from Tram Lines



# Location



# Location



# Terms of Sale

- Acquisition of 100% of the Asset's Holding Company (SPV) Shares
  - Company is an SPV whose sole activity has been to hold and reconstruct the building asset.
- Purchase Price: EUR 5,200,000

# Valuation of Building

## Calculations for Residential Areas

Unit	Floor	Saleable Area (m2)	Balcony Area (m2)	Total Area (m2)	Sale Value CZK	Sale Value EUR	Sale Value CZK/m2	Sale Value EUR/m2
1	1	60.00	2.89	62.89	11,060,100	442,404	175,864	7,035
2	1	60.00	2.89	62.89	11,060,100	442,404	175,864	7,035
3	2	60.00	2.89	62.89	11,674,550	466,982	185,634	7,425
4	2	65.00	2.89	67.89	12,624,550	504,982	185,956	7,438
5	3	65.00	2.89	67.89	13,289,000	531,560	195,743	7,830
6	3	65.00	2.89	67.89	13,289,000	531,560	195,743	7,830
7	4	80.00	10.00	90.00	18,700,000	748,000	207,778	8,311
8	4	100.00	10.00	110.00	23,100,000	924,000	210,000	8,400
<b>Totals</b>		555.00	37.34	592.34	114,797,300	4,591,892	193,803	7,752

## Calculations for Commercial Areas

Leasable Area (Approximate)	186.60 m2
Rent / Month	3,000 EUR
Annual Rent	36,000 EUR
Valuation Yield (%)	6.0%
Value of Commercial Areas	600,000 EUR
Value of Commercial Areas	3,215 EUR/m2

## Summary of Valuation

Total Value of Residential Areas	4,591,892 EUR
Total Value of Commercial Areas	600,000 EUR
<b>TOTAL VALUE OF BUILDING</b>	<b>5,191,892 EUR</b>
Purchase Price of Building	5,200,000 EUR
Purchase Price Discount to Valuator	0%



# Rental Income

## Calculations for Residential Areas

Unit	Floor	Saleable Area (m2)	Balcony Area (m2)	Total Area (m2)	Rent Value CZK/Month	Rent Value EUR/month	Rent Value CZK/m2	Rent Value EUR/m2	Annual Yield %
1	1	60.00	2.89	62.89	33,180	1,327	528	21	3.6%
2	1	60.00	2.89	62.89	33,180	1,327	528	21	3.6%
3	2	60.00	2.89	62.89	35,024	1,401	557	22	3.6%
4	2	65.00	2.89	67.89	37,874	1,515	558	22	3.6%
5	3	65.00	2.89	67.89	39,867	1,595	587	23	3.6%
6	3	65.00	2.89	67.89	39,867	1,595	587	23	3.6%
7	4	80.00	10.00	90.00	56,100	2,244	623	25	3.6%
8	4	100.00	10.00	110.00	69,300	2,772	630	25	3.6%
Totals		555.00	37.34	592.34	344,392	13,776	581	24	3.6%

## Summary of Annual Rental Income

Rental Income from Residential Area	165,308	EUR
Rental Income from Commercial Area	36,000	EUR
<b>TOTAL ANNUAL INCOME</b>	<b>201,308</b>	<b>EUR</b>

Purchase Price of Building	5,200,000
Annual Income Yield on Purchase Price	3.9%



# Comparable Property Sales

Note	Comp. Project Year	Area	Average CZK/m2	Minimum CZK/m2	Maximum CZK/m2	Weight
(a)	2008 Liliova 8	P1, Stare Mesto	196,982	180,000	229,546	50%
	2007 Misak Gallery	P1, Stare Mesto	195,863	167,803	274,686	25%
(b)	2006 Palác Beethoven	P1, Mala Strana	170,532	121,437	230,828	15%
(c)	2008 V Kolkovně 5	P1, Stare Mesto	140,429			10%
Averages			175,951	156,413	245,020	100%
Weighted Average			187,079			

(a) Most Comparable Property

(b) Sold in 2006. Layouts and construction quality are inferior to subject property

(c) Sold as entire building with Regulated Tenants and partial reconstructin



# Assumption Notes

■ Area values were adjusted according to:

- Floor Level
- Usability (Balconies, Gallery Areas)

■ Base Sale Price Assumed:

- CZK 200,000/m<sup>2</sup>
- EUR 8,000/m<sup>2</sup>

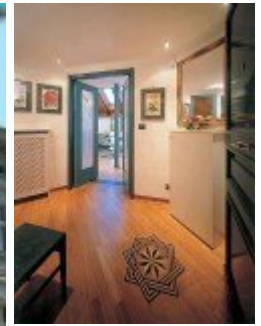
Floor Adjustments	
Floor	Adjustment
1	90%
2	95%
3	100%
4	110%
5	120%

Internal Area	100%
Balcony Area	50%
Gallery Area	70%

Exchange Rate	25.00 CZK/EUR
Base Sale Price	200,000 CZK/m <sup>2</sup>
Base Sale Price	8,000 EUR/m <sup>2</sup>
Base Rental Value	600 CZK/m <sup>2</sup>
Base Rental Value	24 EUR/m <sup>2</sup>



# Photos



[www.residenceinprague.cz/](http://www.residenceinprague.cz/)

