

# FORUM KARLÍN

Prague 8 - Karlín  
Czech Republic



savills



FORUM  
KARLÍN

PRELIMINARY INVESTMENT MEMORANDUM

A place where business meets  
culture, media and social life.





*The space of Forum Karlín is unique, quite exceptional and it was a pleasure to transform and rebuild it to serve the media house Economia, tenants of new offices, and through a multi-purpose hall - the entire City of Prague.*

**RICARDO BOFILL**

Architect



# FORUM KARLÍN

This landmark development in Prague's most popular inner city district, offers an acquisition opportunity of a long WALT and highly secured cash flow, encapsulated in an architecturally interesting, mixed use, investment asset.





## INVESTMENT HIGHLIGHTS

Diversified tenancy profile consisting of 16 long-term tenants across office, retail, and leisure uses

Fully leased with a WALT to break **of 7.1 years**

Long income security provided by media house Economia and Event Hall leases at **12 and 15 years** respectively

Czech Crown denominated Net Operating Income ("NOI") of **82.3m CZK (€3.23m\*)**

Located in Karlín, Prague's burgeoning inner city district, naturally extending the Central Business District ("CBD") core office market

Designed by Ricardo Bofill Taller de Arquitectura (RBTA), architect of the new 'Nou Camp' in Barcelona



\*FX €1: 25.49 CZK as of 01/01/2018

LIFESTYLE-LED URBAN  
SHAPING LANDMARK

INSULATED CASH FLOW WITH  
7.1 YEAR WALT

WORLD CLASS EVENT VENUE

A sensitive development combining old and new construction, juxtapositions Prague's industrial past with its creative, modern, technological future in a unique concept. With its outstanding design Forum Karlín is a trophy asset in its own right.

12 year and 15 year lease terms respectively, on the media house Economia and the Event Hall occupational space, combine with a long lease to digital marketing company Socialbakers to provide an outstanding WALT by income of 7.1 years.

**Forum Karlín Event Hall** ("Event Hall"), with a total area of 4,800 sqm was newly built in 2014. It boasts ultra-modern interior design and cutting-edge acoustic properties, further augmented by state-of-the art audio technology. The venue is suitable for all manner of music concerts and regularly hosts events such as conferences, global product launches and private events. The Event Hall acoustics and technology were awarded as the best in CEE and 11<sup>th</sup> best worldwide by Measurement of Room Acoustic Parameters.



## MIXED USE PROFILE

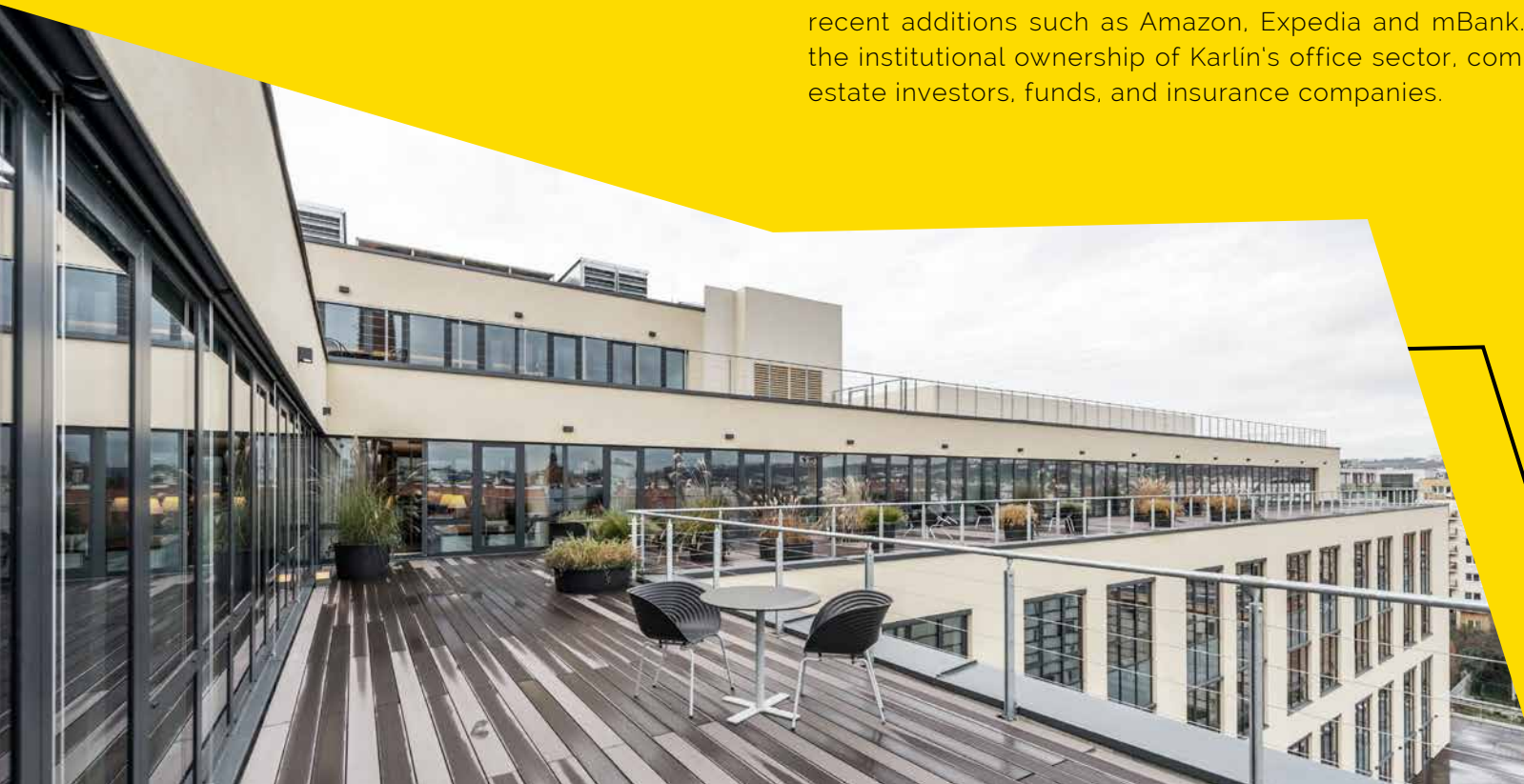
Located in the centre of the dynamic and youthful Karlín district, Forum Karlín offers office, retail and event premises across a total GLA of more than 20,600 sqm, complimented by underground parking and storage and brought together by an attractive lively central covered plaza.

## OUTSTANDING LOCATION

Forum Karlín is located in Karlín, Prague 8, one of the City's most dynamic core business districts and a highly sought-after location by the young, educated and affluent demographic of Prague. Less than 2km from the epicentre of the Central Business District, Karlín was until 2000 a relatively low-key inner city district, but has undergone remarkable development, transformation and gentrification during the last decade.

## CORE OFFICE MARKET

Karlín has seen extensive development in the office sector, with most modern space pre-leased well before completion due to high levels of tenant demand. Karlín currently records the highest take-up numbers and represented over 20% of Prague take-up in Q1-Q3 2017. The quality and maturity of Karlín's office market is reflected in the fact that it has become both a core occupational and investment location, the latter of which was previously limited to only Prague 1 (CBD) and Prague 5 (Anděl). Karlín's core profile has been cemented by its ability to attract tenants from various industries ranging from IT, finance and R&D, including notably more recent additions such as Amazon, Expedia and mBank. This profile is further compounded by the institutional ownership of Karlín's office sector, comprising mainly global and European real estate investors, funds, and insurance companies.

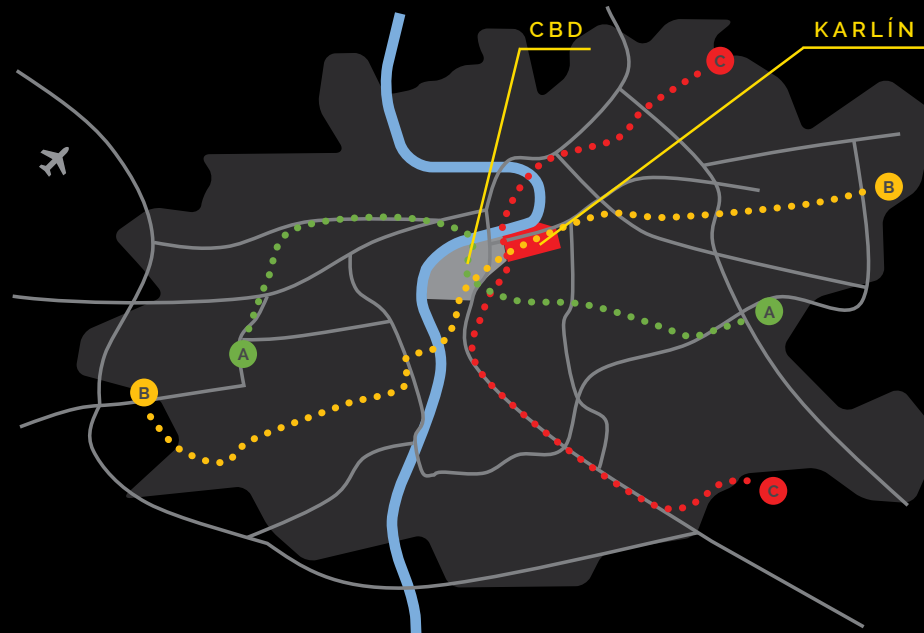


## DIRECT PUBLIC TRANSPORT ACCESS

Forum Karlín is served by Křižíkova Metro Station, Line B, providing direct access to the city centre and east of city locations. One stop towards the city centre, Line B connects with Line C at Florenc, offering commuters further extensive city-wide metro connections.

In addition, the immediate area is served by three tram lines, running directly to Prague's city centre and main retail high street, every three minutes in peak times, with a travel time of only six minutes.

The construction of the direct airport train link is now underway, which will run directly in to Masaryk Train Station, two stops by metro. Subsequently, Karlín will shortly become the best accessed district outside of Prague 1.





## EXCELLENT TENANT COVENANTS

Forum Karlín is most notably occupied by a leading media house, **Economia**, established in 1990 by dissident journalists shortly after the Eastern Bloc's disintegration, which publishes some of the most widely circulated and prestigious newsmagazines and daily newspapers in the Czech Republic.

**Socialbakers**, an international digital marketing company and the second largest tenant by income, boasts as its clients many of the Fortune 500 companies.

**The AWT Group**, member of the PKP CARGO Group, is one of the largest providers of rail transport services in Europe, specializing in transporting commodities such as coal, steel or automobile industry components. In the Czech Republic, it employs more than 2,100 staff, owns over 400 km of railroad tracks and has a vast fleet of 160 locomotives and 5,100 freight wagons.

Headquartered in Philadelphia, **BDP** is a privately held global logistics and transportation services provider, employing 4,200 staff across 292 offices and 133 countries around the world. It has offered ocean, air and ground transportation services and project logistics since its establishment in 1966.

**Work Lounge** is a US based international provider of modern co-working space geared toward satellite workers, freelancers, and small business owners, which gives creative professionals the opportunity to conduct business in an environment featuring exquisite interior design and premium amenities.

**The Ambiente Group**, leading Czech hospitality operator with numerous restaurant concepts, operates Eska, a modern restaurant with culinary ethics based on rediscovering old methods of cuisine such as fermentation, drying, wood-heating and fire-roasting, Eska has been included in Michelin's Main Cities of Europe Guide for 2017.



## PROPERTY FACT SHEET

|                                |                                |
|--------------------------------|--------------------------------|
| Address                        | Pernerova 51, 186 00, Prague 8 |
| Year of Completion             | 2012-14                        |
| Tenure of Building             | Freehold                       |
| Total Building Area            | 20,605 sqm                     |
| Gross Leasable Office Area     | 14,825 sqm                     |
| Gross Leasable Retail Area     | 369 sqm                        |
| Gross Leasable Event Hall Area | 4,827 sqm                      |
| Gross Leasable Terrace Area    | 446 sqm                        |
| Gross Leasable Storage         | 139 sqm                        |
| Parking Spaces                 | 209                            |
| Above-ground floors            | 8                              |
| Underground floors             | 2                              |
| NOI (as of 01/01/2018)         | Ca. CZK 82.3m                  |
| Rent Denomination              | CZK                            |
| Occupancy (by income)          | 99.4%                          |
| WAULT (by income)              | 7.1 years                      |



# LOCATION

## CZECH REPUBLIC

The Czech Republic lies in the heart of continental Europe. It is one of the most dynamic European economies, ranking well above the OECD average in terms of growth. Currently the unemployment stands at record low level of 2.7%\* with 2017 GDP growth of 5%\*.

## PRAGUE

Prague is the capital of the Czech Republic. It is the country's centre of politics, international relations, education, culture, and economy. As such, Prague has become a strategic location for numerous international businesses as their regional administrative headquarters. Prague is the EU's 6th wealthiest region, surpassing Inner London-East, Stockholm and Vienna and is also the CEE's hub for key global IT and R&D companies.

The city's historic centre is a UNESCO World Heritage Site, featuring a unique blend of architectural styles going back more than a millennium, making it exceptionally popular with tourists. The total number of visitors surpassed 7 million in 2016, which is nearly seven times the population of Prague. It is also a home of some of the best universities in the whole CEE region, boasting a student population of ca 119,000. Moreover, Prague recently earned a second place in the international expat city ranking\*\*, which measures the most popular living destinations of expatriate workers globally.



\*Eurostat: 10/2017

\*\*InterNations



# LOCATION

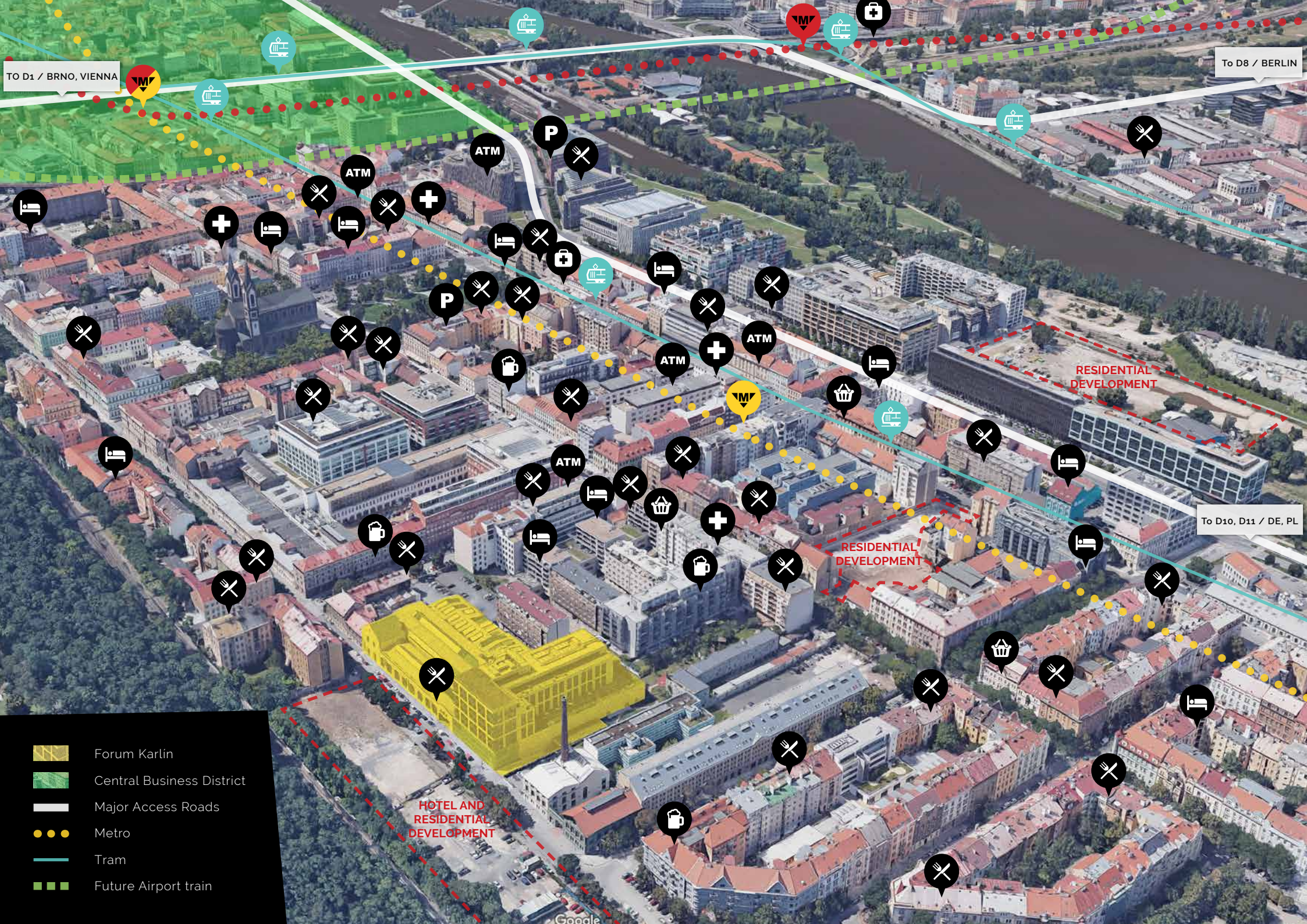
## KARLÍN

Forum Karlín is located in Prague 8, which includes the city district of Karlín, nowadays one of the most dynamic and fastest growing districts in Prague. Karlín benefits from easy access to the city ring road, being located adjacent to the Magistrála, Prague's key north-south artery. Prague Vaclav Havel Airport is accessible within ca. 30 minutes by car.

Present-day Karlín is an affluent district that has recently seen significant gentrification and development activity with visions from many renowned architects and design studios. The result is a tastefully balanced mixture of renovated historical architecture and completely new construction, combined with improved infrastructure and amenities, such as cafés, restaurants and galleries.







TO D1 / BRNO, VIENNA

TO D8 / BERLIN

TO D10, D11 / DE, PL

RESIDENTIAL DEVELOPMENT

RESIDENTIAL DEVELOPMENT

HOTEL AND  
RESIDENTIAL  
DEVELOPMENT

- Forum Karlin
- Central Business District
- Major Access Roads
- Metro
- Tram
- Future Airport train



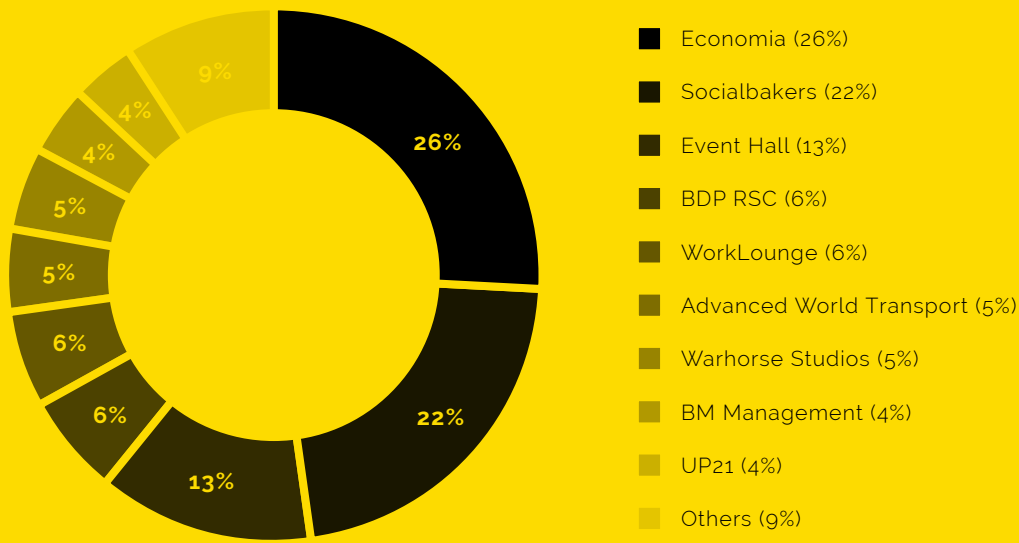
# INCOME & AREAS

Forum Karlin generates an NOI, as of 1<sup>st</sup> January 2018, of ca. CZK 82.3m.

Forum Karlin is leased to a total of 16 tenants who occupy office, storage, retail and leisure uses. The property is fully occupied by leasable area, with only 15 vacant parking spaces. The adjacent table shows building areas broken down by use category.

Forum Karlin is a modern office building with a total area of 20,605 sqm. The building is fully occupied by leasable area, with only 15 vacant parking spaces. The adjacent table shows building areas broken down by use category.

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| Area Type    | Total GLA         |
|--------------|-------------------|
| Office       | 14,825 sqm        |
| Event Hall   | 4,827 sqm         |
| Restaurant   | 369 sqm           |
| Storage      | 138 sqm           |
| Terrace      | 446 sqm           |
| Parking      | 209 spaces        |
| <b>Total</b> | <b>20,605 sqm</b> |





## CONTACTS

### **Stuart Jordan FRICS**

Head of Capital Markets  
M: +420 720 076 367  
E: [stuart.jordan@savills.cz](mailto:stuart.jordan@savills.cz)

### **Ing. Jakub Gajdoš**

Senior Investment Analyst  
M: +420 722 499 167  
E: [jakub.gajdos@savills.cz](mailto:jakub.gajdos@savills.cz)



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