

Your Investment Gateway to European Properties

Facts About Prague & Czech Republic

Prague

Prague is situated **in the heart of Europe** – approximately 600km from the Baltic, 700km from the North Sea and 700km from the Adriatic. For your information Prague is 1,377 km (853 ml) from London, 292 km (181 ml) from Vienna, 350 km (217 ml) from Berlin and 1,037 km (642 ml) from Paris.

Prague is the capital and largest city of the Czech Republic and covers an area of 497 sq km (192 sq ml), about two-thirds that of New York. Situated on the Vltava River in central Bohemia, Prague has been the political, cultural and economic centre of the Czech state for more than 1,100 years. For many decades during the Gothic and Renaissance eras, Prague, this magical city of bridges, cathedrals, gold-tipped towers and church domes, was the permanent seat of two Holy Roman Emperors and thus was also the capital of the Holy Roman Empire. Almost undamaged by WWII, Prague's compact medieval centre remains a wonderful mixture of cobbled lanes, walled courtyards, cathedrals and countless church spires all in the shadow of her majestic 9th century castle that looks eastward as the sun sets behind her. No city in Europe has more rewarding views.

Prague is the wealthiest city in Central and Eastern Europe, and wealthier than many in Western Europe, with a per-capita GDP (PPP) of EUR 32,357, which is at 153% of the EU average. The GDP per capita of Prague is more than double that of the Czech Republic as a whole (this not reflect whole country). The city proper is home to about 1.3 million people, while its metropolitan area is estimated to have a population of over 1.9 million.

Nicknames for Prague have included 'city of a hundred spires', 'the golden city', 'the Paris of the Twenties in the Nineties', the 'mother of all cities', and 'the heart of Europe'. Since 1992, the historic centre of Prague has been designated a UNESCO World Heritage Site.

It is regarded by many as one of Europe's most charming and beautiful cities. Prague has become the most popular travel destination in Central Europe along with Budapest and Krakow. With the growth of low-cost airlines in Europe, Prague has become a popular weekend city destination allowing tourists to visit its many museums and cultural sites as well as try its famous Czech beers and hearty cuisine.

Prague is also a modern and vibrant city full of energy, music, cultural art, fine dining and special events. There are hundreds of concert halls, galleries, cinemas and music clubs in the city.

The best part about Prague is the fact that it's still quite cheap. Everything from accommodation, transportation, food and alcohol is much more affordable than anywhere in Western Europe.

Czechs

At first impression Czechs might seem a bit intimidating, service in shops or restaurants provided "without" smiles and passengers in metro or trams looks very quiet. However after you visit some pubs, socializing places, clubs or friends at their home, it is guaranteed that you'll get a very different impression. You will be able to understand their very good sense of humor and you will value their politeness. Most of Czechs are reserved, confident and quite at least until they hit the pub and not to forgot hard working, rarely aggressive or confrontational.

Czechs are a western Slavic people of Central Europe, living predominantly in the Czech Republic. Small populations of Czechs also live in Slovakia, Austria, U.S., Brazil, Argentina, Canada, Germany, Russia and other countries. Czechs speak the Czech language, which is closely related to the Slovak and Upper Sorbian language.

Czech Republic

The Czech Republic is situated in central Europe, surrounded by hills and mountain ranges. It borders Germany to the west, Poland to the north, Slovakia to the east and Austria to the south. The country is composed of three historic regions: Bohemia, Moravia and Silesia. However, there are 14 regions nowadays, each with its own county seat and administration. The area of the Czech Republic is 78,866 sq km. The lowest point is 176 m above sea level; the highest 396 m.

The Czech Republic possesses a developed high-income economy with a GDP per capita of 82% of the European Union average. One of the most stable and prosperous of the post-Communist states, the Czech Republic has seen a growth of over 6% annually in the last three years. The country is the first former member of the Comecon to achieve the status of a developed country according to the World Bank (2006) and the Human Development Index (2009), which ranks it as a "Very High Human Development" nation.

The country is part of the Schengen Area, having abolished border controls, completely opening its borders with all of its neighbours, Germany, Austria, Poland and Slovakia, on 21 December 2007.

Ruzyně International Airport is the main international airport in the country. In 2007, it handled 12.4 million passengers, which makes it one of the busiest airports in Central Europe. In total, Czech Republic has 46 airports with paved runways, six of which provide international air services.

Czech cuisine is marked by a strong emphasis on meat dishes. Pork is quite common; beef and chicken are also popular. Goose, duck, rabbit and wild game are served. Brewing beer has been a traditional activity in the Czech Republic for centuries. Aside from Czech beer, Slivovitz and wine, Czechs also produce two uniquely Czech liquors, Fernet Stock and Becherovka.

Enjoying Czech Republic

Czech ski resorts

Practically the whole Czech Republic is surrounded by a wall of mountains, which invite you to visit their beautiful countryside in the summer and to make use of the first-class skiing facilities in the winter. The Czech mountains offer winter resorts with top-class equipment, high-quality slopes, cross-country tracks, bobsleigh runs as well as complete sports services such as skiing and snowboarding schools, schools for children, ski rental facilities and depots, etc. Numerous centres have also been selected to hold prestigious international sports events, such as the Skiflying World Cup in Harrachov, Slalom Ski World Cup in Špindlerův Mlýn or the cross-country skiing and biathlon world cup races in Nové Město na Moravě(map).

Many superbly equipped centres are on offer in the Giant Mountains, Eagle Mountains, Jizera Mountains, Ore Mountains, Šumava, the Jeseník Mountains and the Beskids.

Main skiing resorts:

The Giant Mountains (Krkonoše) – Špindlerův Mlýn, Pec pod Sněžkou, Harrachov and Rokytnice nad Jizerou

The Jizera Mountains (Jizerské hory) – Bedřichov, the Severák centre, Tanvaldský Špičák

The Beskydy Mountains – Pustevny, Dolní Lomná, Lysá Hora, Javorový vrch, Kohátky, Bílá etc.

The Bohemian Forest (Šumava) – Lipno, Zadov, Železná Ruda

The Eagle Mountains (Orlické hory) – Říčky, Deštné, Čenkovice

The Jeseníky Mountains – Praděd, Ovčárna, Červenohorské sedlo, Ramzová, Petříkov

The Ore Mountains (Krušné hory) – Klínovec, Boží Dar

The Bohemian-Moravian Highlands – Nové Město na Moravě

Czech recreation (spa) towns

Only a few countries have as many spa facilities as the Czech Republic do. Local citizens have been using them since the 15th century, when the first records of spas are seen. Many Czech spas rank among the oldest in Europe and were visited by such eminent guests as J. W. Goethe, the Russian Tsar Peter the Great or the Austrian Empress Maria Theresa. You will find a total of 37 spa towns with a unique and authentic atmosphere in the Czech Republic, the strength of which lies in their natural healing springs, be these mineral springs, gases or peloids.

Whether you visit the world famous Karlovy Vary, Mariánské Lázně, Františkovy lázně or one of the others, you will receive world-class care, which the Czech spas are famed for. Each spa specialises in a different part of the human body and you will certainly find a procedure, which is designed just for you. The healing effects of their springs are well known the whole world over.

Whatever ailment you have, or if your body just needs some relaxation, Czech spas are here for you. Top quality care and hundreds of years of tradition are your guarantee that you will be well cared for. It is up to you then whether to choose a mud bath or to rely on the strength of their healing springs. You will always find what you want at Czech spas.

Carlsbad - the best known Czech spa town

The best known and the largest spa in the Czech republic dates back to around 1350. The Roman Emperor and Czech King Charles IV raised its status to a town in 1370. The end of the 19th century defined the architecture of Carlsbad. The city's best-known sights are the Church of St. Andrew, the orthodox Church of Sts. Peter and Paul, the Municipal Theatre, the Mill Colonnade (Mlýnská kolonáda) and the Cathedral of St. Mary Magdalene. Carlsbad is surrounded by romantic hilly countryside – the foothills of Krušné hory.

The fame of Karlovy Vary has spread into the whole world thanks to its mineral springs. There are 12 healing springs in the spa. Their basic compositions are similar but they differ in temperature and the amount of carbon dioxide, and that is why their effects are different as well. The colder springs usually have a slightly purgative effect, while the warmer ones make the production of bile and stomach juices slower. The strongest is the Vřídlo spring, rising from the depth of 2,000-3,000 metres. The temperature reaches 73° C. The temperature of the other springs is around 40° C. The springs cure mainly metabolic disorders; they are also used for inhalations and baths.

The tradition of Czech spas is an inseparable part of the European cultural heritage. Due to the high quality of their curative resources, they have won fame and recognition in Europe and found their place in the history of medicine and balneology. However, Czech spas do not only mean health cures, but also recreation, rest, and a refuge from everyday stress. All of this is combined with a pleasant environment, rich cultural life, sports and entertainment. In addition, you can combine your stay with a trip to any of the romantic chateau parks, medieval castles, churches or monasteries in the surroundings.

Mariánské Lázně

Mariánské Lázně is the second biggest town in the triangle of the West Bohemian spas. It is world-famous by the results of the cure and excellent quality of the natural sources. The town is situated in a charming valley surrounded by well-kept green woods. There are around 100 springs of cold ferrite acidulous water of various chemical consistences. The first sources have been known since the...

Situated in a picturesque valley and on the wooded slopes of the Slavkovský forest area, 628 meters above sea level; sub-mountain colder climate, moderate irritation factor. The spa owes its renown to its attractive layout, quality natural sources and numerous springs (there are no fewer than forty in the spa

town itself), as well as its excellent medical success rate. A local peculiarity is a dry source of carbon dioxide. Natural healing source: hydrocarbonate-calcium-magnesium-ferrous and hydrocarbonate-calcium-sulphate-ferrous acidulous waters used for the drinking cure and baths; also, natural gas and mud.

8 reasons to invest in real estate in Prague and Czech Republic

- **SAFE** Investment in real estate is generally much safer and less subject to volatility jumps than investment in stocks or various capital market products. The collateral usually stands on firm ground (if it's a building or apartment) or is the ground itself. You can always see it with your own eyes, touch it if you wish and reasonably assess its value and its state at any time without even being an expert. Investing in Prague or any other attractive and picturesque locations in the Czech Republic is much safer than putting money into quite some of the current S&P 500 companies with uncertain profits and strategies. Prague is also referred to as 'mother of all cities' thanks to its eternal flair and its unparalleled in gorgeousness century-old city architecture. Yet it's a modern, beautiful and thriving at the same time. In this respect Prague easily measures up to Paris, Vienna, Munich or London.
- **FAIRLY PRICED** Investment in Prague and Czech Republic is lucrative. Prices for residential properties in Prague are still up to 30-50% lower than in most West-European capitals, like Vienna, Paris or Rome, although rising by over 60% in the past decade, particular after the accession to the European Union. The expected acceptance of the Euro currency in the years to come will most likely amount in an additional significant price boost, as it happened in the neighbor country Slovakia which adopted Euro in 2009.
- **PROFITABLE, PASSIVE INCOME** Whichever investment strategy you may pursue you will gain in the long- and mid-term by investing in Prague real estate with the 100% guarantee. While it's also largely determined by macroeconomic factors by how much and how fast the real estate prices will rise in the next years, several factors are typical of only Prague and Czech Republic and permanently influence positive price development, like constant and growing popularity with tourists (Prague is among the top 10 European tourist destinations), strong and stably developing local economy, constantly growing population of Prague and extremely limited space for new building projects within the inner circle of the city center which is dominated by historical architecture.

The other important profitability factor is the passive income that may always be earned if you choose to rent your property out. In particular, residential property has excellent chances of getting rented immediately and for long term, assuring a yearly return of 5-10% (depending on the location and property type). This way you do not have to sit and wait for the next real estate boom approaching and prices exploding but start accumulating passive income right away, year by year with the very minimum of effort. We advise our clients of the most attractive investment options currently available on the market bearing in mind our clients' return on

investment targets and we do eventually manage property of our clients to help achieve these targets.

- **EXCEPTIONAL GEOGRAPHIC LOCATION** Czech Republic has an exceptionally advantageous location in the centre of Europe with excellent transport infrastructure and borders Germany, Poland, Austria and Slovakia. Prague is only a two-hour flight from most other European capitals. The Ruzyne International airport by Prague is modern, spacious and offers connections to all over the world. Flying to London is 2h 20 min, you are in Madrid under 3h by plane. Within 3 hours of car-drive you are in Vienna, Munich or Berlin, otherwise the flight takes an hour.
- **PRESTIGIOUS** Owning real estate property in one of the most ancient and most beautiful cities not just in Europe but in the entire world, in 'the Paris of the Twenties in the Nineties', how Prague is often referred to? Doesn't it cherish the self-esteem of the most astute investor?
- **EASY & UNCOMPLICATED TO BUY/SELL** Real estate market is well developed and transparent, the property rights are well protected in Czech Republic. It is fairly easy and uncomplicated to buy and sell real estate. All property rights records are compiled in the central electronic register (Katastr Nemovitosti) which can be accessed on-line at any time. Since May 1, 2009 non-EU citizens may buy property both as (Czech) corporate entities (eg. limited liability company) and as private individuals. Before that the only available and very widespread solution was to buy property being a 100% owner of a Czech company (usually limited liability company, S.R.O.). It is very fast, uncomplicated and inexpensive to set up a company for buying real estate and often advisable, particularly in the case local financing (mortgage) is considered as Czech banks offer mortgage financing to local companies even as owned by foreigners. The investment environment is very friendly in the Czech Republic and the company taxes are minimal, profit tax is 30%, it is quite usual to submit a zero or negative balance sheet for the first 4-5 years of operations (so, not paying any taxes), while showing only small taxable profits in the following years. This also offers additional discreteness – for your home country taxman you are an owner of a foreign “unprofitable” company (owning real estate) rather than the owner of foreign real estate. We have extensive experience with running such companies.
- **LOCAL FINANCING OPPORTUNITIES** Mortgage opportunities are widespread and available to local resident companies and the interest rate ranges btw 4 and 5.5 pct depending on bank conditions (which is about an average among EU countries), mortgage loan duration and other factors. We are in touch with several local banks to assure our clients get the best possible financing conditions. While mortgage financing has its costs, it also has its advantages, eg. it helps you spread the currency risks. Mortgage loans from local banks are available in local currency and if your strategy consists in longer term investing and eventual renting your property over time, you may be better off if you put into your property up to 50% of your own money while getting the remaining 50% from the bank. The currency of mortgage repayments to the bank will match the rent intakes. Generally we expect Czech Crown to appreciate significantly against the EURO currency, particularly as its introduction date would approach (in 3-5 years). Another advantage of mortgage financing is that it allows you to increase your investment spectrum and correspondingly investment return. As our experience shows the combined return (both in terms of rent and in terms of property value) on two 50%-mortgage financed mid-size apartments is higher than the return on one larger apartment. It is obviously

always our clients who decide on their investment strategy, however, we are always ready to support our clients to maximize their return relying on our extensive market knowledge and experience.

- **POSSIBILITY TO IMMIGRATE** Czech Republic is a member of the European Union and part of the Schengen visa agreement. It is an investor-friendly country, geographically located right in the middle of the European continent, with very developed infrastructure and low criminality. Opening a company in the Czech Republic will allow you to apply for a resident permit and, thus, immigrate to the Czech Republic. We provide this service upon request for our clients.

Business in Czech Republic

The Czech Republic is one of the most successful transition economies in terms of attracting foreign direct investment. Over 130,000 Czech firms across all sectors are supported by foreign capital. Since 1993, more than USD 80 billion in FDI has been recorded. Studies looking at countries' attractiveness for foreign investors confirm these facts. In the European Attractiveness Survey by Ernst & Young, for instance, the Czech Republic regularly ranks among the top countries.

Suitable and safe conditions for doing business have existed in the Czech Republic for years and have made the country very attractive for investors. Business for sole proprietors and corporations has developed well. The stability and sustainable development of the country are promoted by the activities of both the government and non-profit organizations.

The Czech Republic's accession to the EU in 2004 put the regulation of business activities in line with European standards and EU legislation. Setting up a business in the Czech Republic has thus become much easier and more transparent not only for subjects domiciled in any member state of EU but also for subjects domiciled outside EU.

The present Czech tax system, which was introduced on 1 January 1993, is similar to the systems of the other countries of the European Union. It includes corporate income tax, income tax of individuals, and the standard system of the Value Added Tax. The corporate income tax of 19% is among the lowest in the European Union. The personal income tax is flat at 15%.

Czech law generally provides that a foreign person may undertake business activities in the Czech Republic under the same conditions and to the same extent as Czech persons.

Legal forms of companies are regulated in particular by the Czech Commercial Code. Under Czech law it is possible to set up six different forms of business companies, i.e. a general partnership, limited partnership, limited liability company, joint-stock company, European Company, and European Economic Interest Grouping.

The limited liability company (abbreviated "s.r.o." in Czech) is the most common legal form for a business entity in the Czech Republic for its following advantages:

- limited liability of the company's obligations;
- relatively low amount of minimum basic capital and

- low administration demand.

This company is a separate legal entity whose registered capital is made up of contributions paid by its shareholders. These shareholders are liable for the obligations of the company up to the amount of their unpaid contribution to the company capital as registered in the Commercial Register. A limited liability company must have at least CZK 200 000/approx. EUR 8200 in registered capital, whereas the minimum contribution of each shareholder is CZK 20 000/approx. EUR 820. The registered capital becomes the property of the company and the company disposes of it freely, e.g. uses this money to purchase office equipment and goods, pay regular bills, etc. The statutory body of the company is made up of one or more managing directors.

The official correspondence between authorities and companies has been running electronically since 01.11.2009, i.e. all letters and announcements are delivered to the so-called electronic data boxes, easily managed at a distance. Companies may still communicate with authorities by post but the electronic communication via data boxes is faster and more effective.

Our company provides a full range of services from opening of new companies to their administration at a very competitive cost and in the most efficient manner.

Immigration to Czech Republic

Czech Republic – The gateway to Europe

The Czech Republic is located in the heart of Central Europe and is a centre of cultural wealth and a unique place to live in and do business. It enjoys bordering with Austria, Germany, Slovak Republic and Poland. Its official language is Czech besides English and other languages being spoken by its residents. Asians are well settled here and doing business. In Prague you can find out Chinese Restaurants, Indian Restaurants and foods by all people to like it. People are friendly and they respect the law above all. The atmosphere of Czech towns and villages remained always a source of attraction and inspiration for visitors from all over the world. The climate is cold in winter and warm in summer. It is connected with all countries of the World by Air and with trains also with European Countries.

Why Czech Republic?

For several years now, the Czech Republic has been attracting the attention of investors from all over the world. An outcome for this is easy to see: a strong and growing economy, equitable and stable conditions, a qualified workforce and the low cost of doing & establishing a business. For that reason, the Czech Republic is showing consistent yearly growth of capital investments and a growing number of multinational, economically mature companies coming here to do business. The Czech Republic has over the last two decades rapidly raised the country's standard of living, developed its service sector and concentrated on implementing important economic reforms. The country has also laid the groundwork for its continued development, particularly within the European economy.

What speaks for the Czech Republic?

- It is a part of Schengen Zone and is located in the center of Europe and one can do business with all 27 European Countries by incorporating company there.
- Ability to get Permanent Residency within 5 years.
- Opportunity to do job by obtaining entrepreneurial business visa.
- Social security benefits.
- A higher standard of life.
- Per capita income is 25182 USD.
- Cost of living is much cheaper here than other European countries.
- Lots of Investment opportunities
- Cost of establishing a business is lowest as compared to other European Countries.
- The crime rate and corruption is lowest as compared to other countries of the world.
- People are friendly and live and let live is there policy.
- Benefits like children allowance, social allowance, housing allowance, parental allowance, birth grant etc are admissible to its residents.
- Czech Republic is ranked 13th in the yearly ranking of the World's Healthiest Countries published by Forbes.com.

Obtaining residence permit (visa)

In order to immigrate to the Czech Republic, you must obtain a visa at the Czech consulate abroad which duration period exceeds 90 days (the so-called residence permit). The usual ways to get a Czech visa are as follows:

1. Obtaining Czech visa (residence permit) by getting a company registered in the Czech Republic is, perhaps, the most suitable option for families and middle-aged or elderly individuals. The advantages are: the opportunity to immigrate as a family, low maintenance costs of the company, the possibility to do business, the possibility of obtaining a mortgage when buying real estate, low cost of preparation of documents for residence permit in case of re-filing, the possibility to make pension fund and health insurance contributions at a low rate. Visa extension period is 2 years. Permanent residence can be obtained after 5 years. Disadvantages: high initial costs, the need to show 5000 euro for each family member in the bank account.

As from our clients' experience this is one of the most practical and secure ways of obtaining a Czech residence permit. Obviously no one can guarantee obtaining a resident permit at 100% but getting a visa via the "registered company" mode is the best working approach. The suggested steps are as follows: You buy a property in the Czech Republic either yourself (by travelling to the Czech Republic on a tourist visa) or via an intermediary (like our company), open a company (which normally takes not more than several weeks, limited liability company as the simplest company form is advisable), get your company registered under the address of your property, open a (use your company's) bank account and deposit on it 101 000 CZK (appr 4100 EUR) and apply for the residence permit thereafter. This leaves no formal reasons for not issuing a residence permit. Five years after you get your residence permit you may obtain permanent residence.

2. Obtaining Czech visa (residence permit) as a licensed private entrepreneur is suitable for single people of any age. The advantages are: the possibility to run a small business or get employed, low initial cost. Visa extension period is 2 years. Permanent residence can be obtained after 5 years. Disadvantages: the need to show 5000 Euro in the bank the need to pay an imputed tax of about 400 Euro a year even if there is no profit, in the event of failure at the first filing the re-filing fees are collected in full again.

This is another practical way of obtaining a Czech residence permit for young people. You may either enroll at the University but it's usually sufficient to get enrolled at the (language) entrance preparation courses offered by most universities, in particular by the Charles University. The cost of such courses ranges btw 1000 and 1500 Euro. Once you have a student visa you may convert it into a business visa after the first renewal. The permit will then be extendable every 2 years.

3. Obtaining Czech work permit for foreigners (work visa). The advantages are: the possibility to get a job without unnecessary complications, the possibility to obtain permanent residence in 2,5 years. Disadvantages: the difficulty of obtaining a visa in the time of global economic crisis, the complexity of the extension procedure, if your employer is not interested in you, the complexity of switching from one employer to another. It is not possible to bring the family for several years. In the event of refusal at the first filing the re-filing fees are collected in full again.

4. Obtaining Czech student residence permit (or student visa) is suitable for young people without families. The advantages are: low cost, high chances of getting a visa. Disadvantages: short extension periods, permanent residence may only be obtained after 10 years even when living in the Czech Republic without a break, extensions may be linked to academic performance. However, after the first renewal you can switch to the business visa while still in the Czech Republic.

5. Obtaining Czech family reunification visa (residence permit) is suitable only for minors under 18 and alone living parents over 70 years of age.

It's important to keep copies of all visa application documents. When entering the Czech Republic you should have a (travel) medical insurance. You should get registered at the alien police within 3 days after your arrival. You should apply for a renewal of your permit at least 120 days prior to its expiration.

Studying in the Czech Republic

Czech universities are renowned for their long traditions and high quality education. Czech higher education institutions offer long-standing reputations, unique conception and interesting specializations. A variety of programs and courses are offered both in Czech and in other languages, including English. Foreigners, the same as Czechs, do not have to pay any school fees for studies at a public university in Czech. The situation is different in fields that are taught in English or another foreign language. The school may require a fee for these studies. The fees for studying in a foreign language are set by the university (college) the student visits.

Foreign students have the same rights and obligations as Czechs. Applications for public universities are submitted by the end of February, at some schools the deadline is extended to March or April. There is a fee for submitting applications – usually around CZK 500 (appr 22 EUR) . Everyone has the right to

submit an unlimited number of university applications. According to the type of school one should and pass entry examinations. Graduates receive a Czech diploma corresponding to the completed education program (bachelor's, master's, doctor's).

More than twenty-five thousand foreigners (over 8% of all university students) are currently studying at Czech universities.

The following public educational institutions are among the best-known and most sought after in the Czech Republic:

Charles University

Prague

Charles University was founded April 7, 1348, by Czech King and future Emperor of the Holy Roman Empire Charles IV. Today, Charles University is composed of 17 relatively independent and self-governing faculties. The university employs more than 7,000 people, of which 4,000 are academicians and researchers.

Over 42,400 students attend Charles University (i. e. one-fifth of all university students in the Czech Republic); they study in more than 270 accredited educational programs and 600 departments.

University of Economics

Prague

The University of Economics is well-known among the public as the only institution that offered an education in economics Czechoslovakia before 1989.

The University of Economics in Prague has six faculties: the Faculty of Finance and Accounting, the Faculty of International Relations, the Faculty of Business Administration, the Faculty of Statistics and Informatics and the Faculty of Economics and Public Administration (in Jindřichův Hradec).

Czech Technical University

Prague

CTU is a public university that was established in 1717. Technical studies at this university are divided into seven faculties: Civil Engineering, Mechanical Engineering, Electrical Engineering, Nuclear Science and Physical Engineering, Architecture and Transportation Science and Biomedical Engineering. The university also employs two constituent parts: the Klokner Institute and the Masaryk Institute of Advanced Studies.

Academy of Performing Arts

Prague

Masaryk University

Brno

Silesian University
Opava

Palacký University
Olomouc

University of West Bohemia
Plzen

Tomáš Baťa University
Zlín

Prague real estate market

There has been an enormous investor interest in Prague real estate in the last few years. People from all over the world are investing in the city that many consider a jewel in the heart of Europe. Compared to the prices of real estate in Western Europe, the prices are still relatively low with great upside potential.

Prague is divided into 10 districts. These can be classified in terms of real estate investment opportunities in three major areas as described below.

Prague Inner Center is the historical center. It has been originally developed from the 8th to the 14th century. It is protected by UNESCO and comprises Prague 1 & 2 districts. A lot of beautiful Renaissance buildings constructed in the 18th and 19th centuries, for which Prague is particularly famous are located here as well as in parts of Prague 3. These buildings with gorgeous facades, high ceilings and large spacious apartments constitute an elite group of properties. There are as good as no new residential construction projects in this area, however, older buildings get constantly renovated and apartments modernized.

Prague Greater Center is a so-called wider historical center that includes areas that are near the center and include Prague 3, part of Prague 4,5,6,7,8 & 10.

Greater Prague - including the rest of Prague 4-8, Prague 9 & part of Prague 10.

Prague Vicinity - outskirts of Prague and areas in close proximity to Prague.

Price categories

Three price categories make up the residential market in Prague:

Low range standard housing

This category is in the price range of CZK 25,000 to 40,000 (1,000 to 1,500 EUR) per square meter and comprises secondary market properties, such as brick house apartments from the 30s -50s of the last

century, 5-6 storied brick house apartments built in the 70s-80s and prefabricated Socialist blocks of flats that were being built until mid-90s. This sector also has the highest percentage of occurring transactions. Apartments in this sector would be qualified as standard housing quality of which there is a slightly higher supply than demand.

Mid range good quality housing

The second category is in the price range of CZK 40,000 to 80,000 (1,500 to 3,000 EUR) per square meter. This category would be described as quality housing with good surroundings and services. The demand for this type of housing is higher, and continues to rise – outpacing somewhat the actual supply. Over 70% of new residential development projects target this medium price category. Investors' quality requirements to such housing are high and, hence, construction standards, particularly as far as new projects are concerned.

High range best located housing

This third category is in the price range of CZK 80,000 to 170,000 (3,500 to 8,000 EUR) per square meter. Location is the most important factor in this category. This sector usually comprises the Inner Center Prague 1 and 2), areas in close vicinity of the historical part of Prague (Prague 3 and 4) and prestigious residential quarters of Prague such as the Prague 5 and 6 districts. Due to building and construction restrictions in the historical center as well as in the above mentioned favorable residential areas, the demand often by far exceeds the supply. This has its impact on rents which may be substantially higher in these areas. Apartments' rent in Prague 5, for instance is often in the range of CZK 300 to 330 (12 -14 EUR) per square meter. As a result a monthly rent for a 2 bed roomed, 1 living room plus kitchen and bathroom of a total of ca 70 square meters would be around CZK 23,000 (860 EUR).

Buying land

Czech Republic as most other countries applies a various land use system. Areas intended for agricultural activity cannot be used for residential property construction as an example. Purchase of land is a lucrative yet very responsible job. Our company is ready to help you select a land plot (or land plots) for whichever purpose you intend, and provide full necessary local legal support to finalize the purchase. In this case we bear full responsibility for correct information and the legal side of the transaction.

Your return on investment

Czech residential property and other real estate and land such as houses, villas, apartments, apartment blocks, offices, country land houses, agricultural and farming land plots, forests and industrial development plots are often selling at a much lower price than elsewhere in Europe and offer an exceptional return from the investment.

Examples:

A small detached house in an average Czech town, can be bought for the same price that a garage would cost in most other western European countries.

A larger family villa with a large garden (1,500 m), within 80 km from Prague may cost 50,000 EUR.

A summer cottage (chata) with 4 rooms having electricity and water supplies, and 2000 sq m of garden plot with fruit trees and vegetable patches can be bought for 20,000 EUR.

An apartment house block containing 10 individual apartments (ready to rent out) in a major Czech town such as Plzen may cost 150.000 EUR.

Why 888 Properties?

Why work with us?

- We provide professional services and our extensive experience as well as the positive feedback from our customers are our best credentials;
- We strive to provide complete long-term solutions to our clients. While we are focused on real estate transactions and property management we offer a range of services, such as facilitating residence permit applications, organizing study stays etc. – which are regularly and occasionally demanded by our customers. What is important – we do have solid expertise in providing services which we advertise;
- We focus on international customers and understand very well their needs and requirements. We possess expertise of streamlining bureaucratic procedures and overcoming unnecessary bureaucratic hurdles. Our offices are both in Hong Kong and in Europe (Czech Republic and Switzerland). We operate locally but we are present internationally – this allows us to be closer to our customers while keeping our local expertise;
- We are effective and cost efficient towards our clients. Our prices are transparent, fair and very competitive. They are never higher than the market average. Our lean structure and web presence brings us this competitive advantage. We charge for what we deliver. We have no

“hidden” costs or charges – our customer gets a binding offer for standard services and a binding estimate for specific non-standard services that may be requested;

- Our utmost goal is the satisfied customer. We strive to have an eventual mutually successful long-term relationship where we effectively and efficiently manage our customers’ properties, maximizing Customers’ Return on Investment.
- We stand for our results and reputation. We never promise what we cannot do. Our reputation is our most valuable intangible commodity, it is key to our business.
- We are open and honest with our clients and we are always happy to hear your critique or suggestions. We value our customers above all as it is the customer that brings value to our business.
- We have Customer’s Return on Investment in mind when we operate on his behalf, both in short-term and in long-term.

Your investment strategy

Return on investment often directly correlates with the chosen investment strategy. The short term approach or property trading approach may be a very rewarding but at the same time risky enterprise. This is the strategy more typical of “boom” years where property price increases are fast and significant, transactions volumes are much larger than usual and there is no lack of liquidity on the market. The important prerequisites for the success of this investment approach is a solid market knowledge and ability to close transactions fast and unproblematically – our company is specialized on this kind of support. Transaction cost barriers are much lower in the Czech Republic than in most Western EU countries.

Mid-term or long-term investing is almost always rewarding for an investor. The scope of reward (ROI) will depend on what property, when, for how long and with which purpose of use is invested into. The most classical example of such a strategy, typical of most private individuals is buying an apartment with the aim of generating a passive income, by subsequently renting it. The advantages are obvious:

- minimum of engagement after the initial buying transaction,
- stable flow of income,
- eventual appreciation of the property.

Let us consider the following practical example to understand better this approach:

An investment into a newly built 1+kk apartment (one room + kitchen) of 38 sqm in Prague 4 (Prague Greater Center), costing 2,100,000 CZK or 84, 000 EUR would bring Return as follows:

Max initial furniture investment = 80, 000 CZK or 3,200 EUR (-)

10, 000 CZK or 400 EUR net rent/month x 12 months = 120, 000 CZK or 4800 EUR (+)

Market appreciation rate of +3% (which is very conservative as the average growth in the 5 pre-crisis years was over 10% and the market stood still for a year after the crisis broke out, cooling down but also accumulating demand)

The investment return in 5 years is at least 600,000 CZK (24,000 EUR) + 315, 000 CZK (12,600 EUR) – 80,000 CZK (3,200 EUR) = 835,000 CZK (33,400 EUR) or **8%** per year.

As already explained above, this is a very conservative estimate as both the rents and property prices are expected to rise at a faster pace than calculated in the next 5 years, particularly so as the Czech Republic joins the EURO zone. Every additional percentage point of market appreciation would bring an additional 105,000 CZK (4,200 EUR) or + 1% of return increase. With a very realistic average appreciation rate of 5% the ROI will be **10%** year.

How we work (How it works):

We offer a full range of service including but not limited to:

- Full real estate agent services: search of properties, preparation and conclusion of buying/selling transactions, mortgage application, full property management;
- Company registration and company management services (accounting, tax declarations, secretarial services);
- Residence permit application etc.;

Buying property step by step:

1. Once you have chosen a property and determined its final price the buying procedure may start. It is advisable to get a final binding proposal in writing which would fix seller's price. The buyer enters an obligation to buy and a seller to sell – a fine may be foreseen for not fulfilling seller's/buyer's obligations.
2. The reservation agreement is further concluded containing the following items: terms of transaction, size of the deposit (usually up to 10% of the transaction), terms of cancellation of the transaction; consequences of breach of agreement by the parties and the amount of fine. The deposit confirms the seriousness of buyer's intentions and is usually non-refundable should the buyer refuse to buy. It is highly advisable to run a comprehensive legal check of the reservation agreement draft before signing – our company is providing legal support in this case.
3. The next stage of the deal is the signing by the seller and the buyer of the basic agreement of sale in notary's presence. This may also be done by buyer's representative, based on the power of attorney for the given transaction.
4. Further, the deposit equal to the agreed amount of the transaction (property price) is made, depending on the agreement of both parties:
 - at Notary Public (a separate agreement is concluded specifying under which terms -and when

the money may be released to the seller or returned to the buyer);

- at the agency's responsible for the transaction (no fees are applied in this case);

- at a bank deposit box.

5. Then the sale agreement and all the documents necessary to change the records proving the passage of ownership are submitted to the regional Katastr Nemovitosti (Real Estate Registry) on a new. Our company takes care of preparing and submitting the required documents package.
6. After all necessary changes in the Real Estate Registry have been applied and the ownership passage has been completed, the transaction deposited is fully transferred to the seller. It is worth saying that any further changes in the Real Estate Registry regarding the property are blocked at this stage.
7. After this the actual transfer of the object takes place, including the signing of a special protocol, which specifies any furniture in the apartment, the quantity of keys to be handed over, etc.
8. The final stage involves a transfer to the new owner of the contracts for the supply of services, such as: electricity, water, gas, internet, telephone, etc. The property should be insured anew and registered with the tax authorities.

Buying property step by step (mortgage option):

Czech financial institutions do offer mortgage financing to foreign individuals and companies and the mortgage market is quite competitive. Although the financing rate may be slightly higher (1-1.5%) it is much easier to get mortgage financing as a company than as a (foreign) individual, particularly if you are not in a possession of a long-term residence permit. We therefore advise to apply for mortgage financing through the below steps:

1. A legal entity (company) is opened in the Czech Republic. Please, see "Opening a company step by step" .
2. Reservation of a selected property is done by signing a reservation agreement and the reservation deposit (usually 10% of property value) is paid.
3. Power of attorney is assigned with our company for the mortgage application.
4. We collect key documents for the mortgage application in the Czech Republic, including the property appraisal.
5. Signing of the mortgage documents once approved by the bank. The approval is formal but may take up to several weeks (it goes through the credit committee of the bank) as we check the likelihood of approval in the requested amount at the stage of documents submission.
6. The sale agreement for the property is signed.

7. The passage of title is taking place at the Real Estate Register whereupon the transfer of the purchased property takes place.
8. The final batch of the mortgage payment is released to the seller once the new ownership records from the Real Estate Register are provided to the bank. The transaction is concluded.

Opening a company step by step:

1. A questionnaire with the required information as provided by us should be filled in and sent back to us together with the scans of birth certificate and the first (data) page of the passport by e-mail: info@888real.com
2. We sign an agreement with You for opening the company, outlining responsibilities and obligations of both sides. A 50% advance payment is the condition for commencing work and may be paid by bank transfer.
3. We are preparing a Power of Attorney draft and providing it to You by email:
 - a) Power of Attorney is drawn up in Chinese, if it is to be signed in the presence of Chinese or Hong Kong notary;
 - b) Power of attorney is drawn up in Czech if it is to be signed in the Czech Republic, and in the presence of a Czech notary.

Each company shareholder should sign Power of Attorney in the presence of a notary.

4. The original of Power of Attorney duly notarized together with the certificate of police clearance from the place of residence should then be sent to us by courier post (Fedex, DHL). The police clearance certificate (criminal records extract) must be original or certified (by notary) copy, and not older than one month.
5. We are preparing a package of documents required for a company registration.
6. We take care of the company registration and submit the documents to the Commercial Register.
7. We inform you when the registration is completed. You may check the status on the website once the company is registered: www.justice.cz (click on "hledat" and enter the name of the company, then click "vypis platnych").
8. We provide to you the complete incorporation documents package as soon as we receive the remaining 50% payment.

Applying for a residence permit step by step:

The most effective way to apply for a residence permit is through a company registration – please, see “Obtaining residence permit”. We therefore focus in the below description on this procedure:

1. A legal entity (company) is opened in the Czech Republic. Please, see "Opening a company step by step" . Whereby all individuals (in case of a family) older than 18 years old applying for a residence permit should be declared as company directors and co-owners (“jednatel” in Czech). Corresponding documents to be signed by each director are provided by us. It is important that each director provides a certificate of police clearance from the place of residence. Each person older than 18 should provide proof of having 101 000 CZK (appr 4100 EUR) in his/her own bank account. Please, keep in mind: the larger the amount, the better. For each child the amount to be shown is half of the parent’s.
2. Once the company is opened (which normally takes btw 2 and 4 weeks) and you receive a confirmation from us together with the documents package, you may call the nearest Czech Consulate, and fix the filing date of your application. You may also register yourself on the website www.vizapoint.eu to fix an appointment. You should submit the documents package obtained from us together with your passport and with 4 photos 3,5 x4, 5 in person. Your passport should be valid at least for another 16 months at the moment you submit your application. The application evaluation procedure takes up to 120 working days, after which you will be issued a visa for a period exceeding 90 days.
3. After your entry into the Czech Republic you are required to register with the alien police within 3 working days, The address is: Praha 3, Konevova 32. They will put a stamp into your passport. You should submit your residence permit renewal application 120 days before your visa expires. For the renewal application your presence in the Czech Republic is no longer necessary as it may be done on your behalf with a power of attorney.

Our services and prices

Properties services

Purchase/sale operations, complete service package

Included services:

- Search of properties,
- Price negotiation support (when applicable),
- Customer representation on the base of POA (when required)
- Full legal support

Further additional services:

- Tenant search and property renting - 1.5 monthly rent over 12 consecutive months (if the tenant relationship for some reason ends prior 12 month contract duration we immediately find replacement tenant free of charge)
- Managing properties: monitoring and ensuring timely tenant payments on monthly basis, occasional properties inspection

- Furnishing properties and preparing properties for rent (all charges and furniture costs excluded)

Mortgage loans

Included services:

- Best mortgage offer scan,
- Preparation of mortgage application as per bank requirements,
- Submission of mortgage application and follow-up with the bank,
- Customer representation on the base of POA (when required)

Company opening

Included services (50% prepayment)

- Preparation of registration documents
- Notary services
- Payment of state fees
- Registration in the Commercial Court
- Provision of registered office address for 1 year
- Receipt of mail
- Appointment of all company founders as company directors
- Obtaining extracts from the criminal records Register of the Czech Republic for all directors
- Obtaining a simple license
- Opening a bank account
- Registration in the Tax Office

Further additional services:

- Preparation and submission of zero balance accounts for the first year;
- Provision of registered office address for the second and each consecutive year ;
- Company management: receiving correspondence, scanning, forwarding by email, with basic English translation when necessary; receiving electronic interface messages from authorities (datové schránky), forwarding in scanned form with basic English translation when necessary

Residence permit services

Business visa (100% prepayment)

Included services:

- Detailed consultation regarding application process
- Obtaining extract from the Trade Register,
- Obtaining extract from the Business Registry,
- Translation of application file documents into the Czech language,
- Filling in application for the Consulate in the Czech language,
- Confirmation of registered address in the Czech Republic,
- Review and translation of the business plan into the Czech language,
- Sending documents by courier post (DHL or Fedex),
- Registration at the alien police

- Assistance in opening a bank account in the Czech bank
- Pick-up in the airport on arrival and transfer
- Resubmission of application in the case of refusal for free

Entrepreneur visa

Work permit

Student visa

Other services – on request

Swiss Properties

Over 888 projects and offers

New Residential Projects

Houses and villas

Land Plots

Secondary market

Contacts

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All Offers

Yes/No

New Building Projects

- Construction date
- Excellent accessibility to center by metro/tram/bus
- Good accessibility to center by tram/bus
- 40 min/30 min/20 min/10 min by tram/bus/metro

Apartments

- Type

- 1-room and kitchen
- 2-room
- 3-room
- 4-room
- Area
- Balcony, terrace, yard
- Living room
- bedroom
- kitchen
- corridor
- Cellar
- Floor number
- furnished
- mortgage possibility
- outside parking place/garage place
- vicinity to shopping center/cinema/kinder garden/school/park/sports recreational facilities/tennis courts/swimming pool/restaurants/hospital
- Walking distance from city center
- Building type: brick/panel
- connection to city center: bus stop/tram stop/metro station nearby
- very good location
- green area
- residential quiet area
- parquet floor

Houses (Villas)

- Number of floors

- Number of rooms
- Garage

Land plots

- agricultural land and forest
- garden
- for house building and recreation
- for commercial use
- location
- plot size
- total price
- municipal water supply, well
- electricity connection
- Vicinity to Prague
- Transport accessibility: bus, train, highway vicinity, asphalt road
- Sewerage
- moderately steep, flat land
- nice surroundings