

Annual Report

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Prague
Development
Company

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PDS PROJECTS

The Prague Development Company (PDS), municipal statutory organisation of the City of Prague, on the basis of its establishment charter of 2020, was handed over for management city land suitable for affordable housing construction and other construction in public interest.

In the years 2021 to 2024, based on the decision of the Prague City Council, the inventory of these city land plots was updated several times; as of 31 December 2024 it reached a total area of more than **70 hectares**.

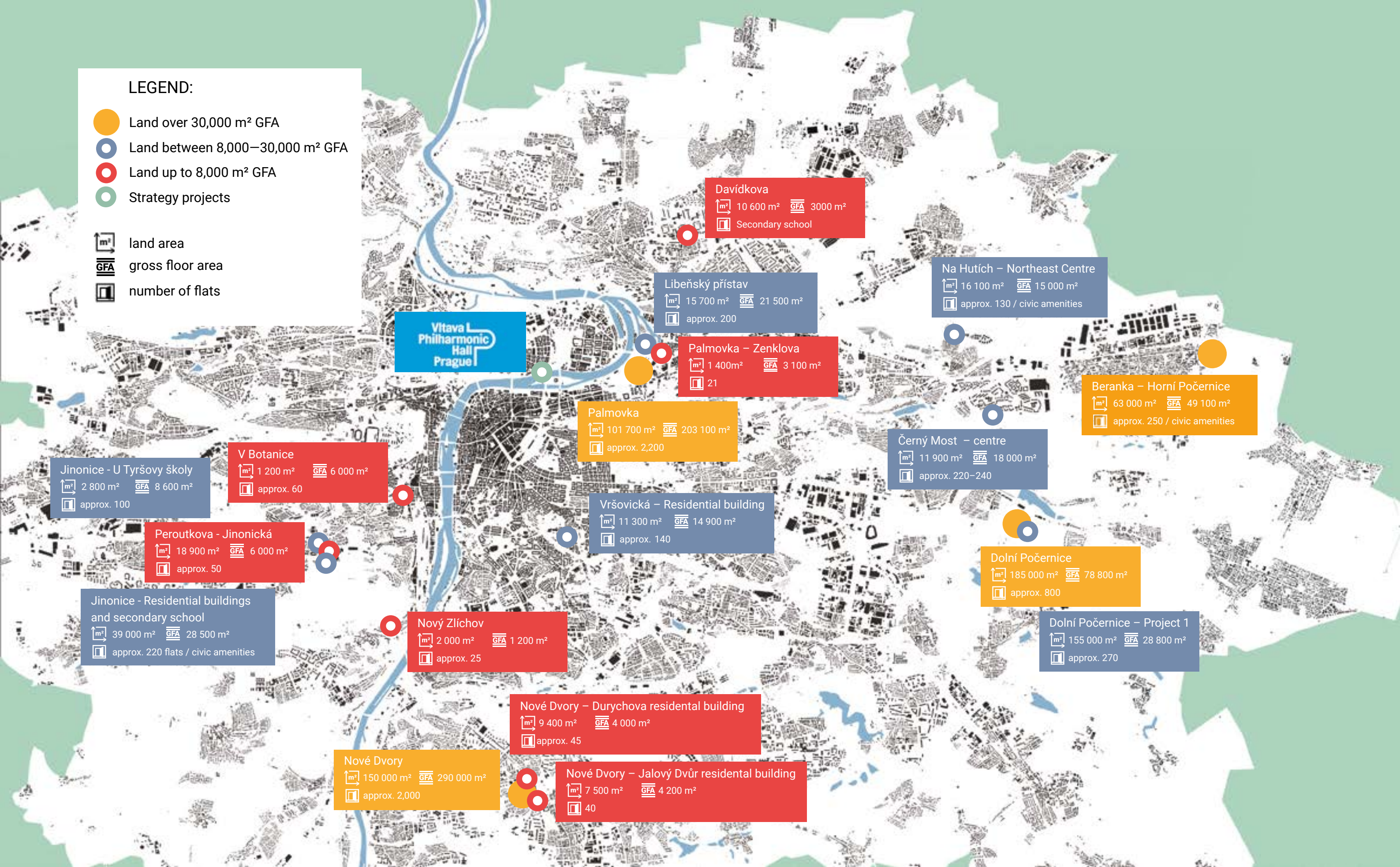
The PDS real estate portfolio includes both large development sites on which PDS is preparing new urban units as well as smaller plots of land and sites intended for the construction of solitary housing projects.

Since 2022, PDS has also had an independent project team for the construction of the Vltava Philharmonic Hall – a prestigious building of strategic importance for Prague and the Czech Republic.

LEGEND:

- Land over 30,000 m² GFA
- Land between 8,000–30,000 m² GFA
- Land up to 8,000 m² GFA
- Strategy projects

- land area
- gross floor area
- number of flats



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Ladies and Gentlemen,

This is the 4th edition of the Annual Report of the Prague Development Company, mapping PDS activities in 2024. I am very pleased that after the four years of our municipal statutory organization, now responsible for adding value to real estate assets owned by the city through the preparation of primarily (but not only) affordable rental housing projects, PDS has achieved significant milestones in the context of preparation of these projects over the past year:

- First applications for building permits. In June 2024, six urban rental housing projects prepared by PDS were opened by filing applications for building or zoning permits. Positive responses to these applications are expected to be issued over the course of the first half of 2025.
- Completion of the architectural study for the Vltava Philharmonic Hall. The architectural study was completed for the strategic project of the Vltava Philharmonic Hall; two years after the announcement of the international architectural competition for this purpose, the project budget was updated and documentation was prepared and submitted for the Environmental Impact Assessment (EIA), the first step of the project approval process.
- Approval of key amendments to the Zoning Plan. Changes in the Zoning Plan were approved by the Prague City Council for the key development areas of Palmovka (P8) and Nové Dvory (P4, P12). These will allow an increase in the municipal land use capacity and full employment of its potential for urban development.
- Real estate property portfolio market value increase. As of 1 August 2024, the periodic market appraisal of the PDS portfolio was prepared with the resulting market value of CZK 8.843 billion arrived at by the expert assessors involved.
In addition to the professional investment and development activities of PDS, the increased value of the city land at Nové Dvory and Palmovka is also the result of the approved zoning plan changes.
- Financing of municipal rental housing projects. PDS has prepared a proposal for a possible solution of multi-source financing of affordable municipal rental housing projects and consulted it with the European Investment Bank (EIB). The conclusions and recommendations were submitted by PDS for political discussion at the Prague City Hall.
- PDS continued its municipal project preparation in a way which assured that the future residential buildings comply with the valid legislation and the Climate Plan of the City of Prague in terms of maximum energy efficiency and carbon footprint reduction. PDS applied for the permit for the Jalový Dvůr project – the first rental housing project utilising timber houses.
PDS is also involved in international cooperation on the preparation of climate-neutral city districts (Horizon Europe's ASCEND project) and is consulting preparation of a self-sustaining district of Dolní Počernice.

I believe that you will find the very extensive and varied activities of PDS to be quite interesting Happy reading!

In Prague on 15 December 2024

Doc. Ing. arch. **Petr Hlaváček**



Daniel Ryšávka
Managing Director of the State Investment Promotion Fund

We put the affordable rental housing market in motion

Daniel Ryšávka has long worked in the area of public investment, sustainable regional development, and affordable housing on both Czech and international levels. He gained professional experience in these areas in public administration and the private sector in several European countries. Since May 2023, he has been Managing Director of the State Investment Promotion Fund, the strategic objectives of which include support for the development of affordable housing projects throughout the Czech Republic. We talked about the specific activities of the State Investment Promotion Fund and the current "Affordable Rental Housing" investment program at the beginning of 2025, when more than half of the total of CZK 7 billion currently allocated to support affordable rental housing had been distributed

among the 75 currently filed applications. And more are under preparation!
In your opinion, what role does the State Investment Promotion Fund play in promoting housing affordability in the Czech Republic?

The State Investment Promotion Fund has been engaged in the field of affordable housing in the Czech Republic for 25 years and has subsidised construction of more than 40,000 flats. Its activities are a response to the failure visible on the domestic housing market, both in regional capitals (including Prague) and in small municipalities. This failure has different reasons on both ends of the spectrum. As urbanisation progresses, more and more people leave rural areas and move to big cities looking for better job opportunities and an attractive lifestyle. This leads to an imbalance between the high demand and insufficient supply of city housing, bringing up the prices of both rental and owned housing. This, unfortunately, has given rise to a situation in which many regional capitals have housing prices far above what the medium-income population can afford. Problems with unaffordable housing even exist in smaller towns and villages, however, with the prevalence of family houses, and where private-sector residential development is

virtually non-existent. The demand for affordable housing, typically for young families, seniors, or employees in preferred professions (teachers, health workers, police officers) obviously exists here as well, while the management and expansion of housing is largely in the hands of the local self-governing bodies. We lend a helping hand here by providing expert advice in the preparation of affordable housing projects and then by offering favourable financing (direct subsidies and soft loans). Our partners include private investors and local governments (regional, municipal) as well as churches and non-profit organizations.

Is there a great interest in your programs?
The Fund has been preparing the latest wave of housing support since 2022, when after the coronavirus pandemic the demand for housing began to largely increase while the availability of mortgages and loans for housing development financing dropped significantly on the financial market. It was clear that under these circumstances, the pressure on the housing market would continue to rise. At the same time, we worked with the results of an extensive survey commissioned by the Ministry of Local Development in 2023 which indicated that about 70% of the municipalities in the Czech Republic were dissatisfied with their existing housing stock, but only 30% had any experience with their own housing construction. We saw the lack of finance and know-how as the main barrier to housing affordability. In 2023, we launched a pilot investment program called

Rental Housing under which we were allocated CZK 1 billion to support affordable housing through renovations or reconstructions of existing properties, construction of new flats, or the purchase of residential properties. The program funds were exhausted very quickly, and we could see for ourselves that there was great interest in this type of support. Subsequently, in cooperation with the Ministry of Local Development, we prepared another investment program entitled "Affordable Rental Housing" which was notified by the European Commission and launched in October 2024. This program is still running. Thanks to the National Recovery Plan, we received CZK 7 billion to support affordable housing, and after three months we allocated CZK 4.3 billion to 75 projects. The interest shown by mayors is enormous, and according to information gathered by our 8 regional advisory centres that we opened last year there is a pipeline of hundreds of other projects worth at least CZK 20-30 billion.

What does your support look like?
We offer expert advice on housing project preparation as well as financing, meaning direct subsidies and soft loans. And as I have already mentioned, we have established a network of regional advisory centres where our partners from towns and cities can consult formal aspects of residential housing project preparation, their appropriate conceptual and architectural design, and the financial, legal, tax, and technical aspects of their project preparation and implementation. Our regional offices also act as places to share know-how between individual municipalities, and we also work with former mayors who share their experience on the spot. In 2024, we provided a total of 2,300 expert consultations for 1,600 towns and cities. This enables us to

Rental housing project – Žďár nad Sázavou



estimate the future demand for our financing of upcoming affordable housing projects.

And what about the project financing itself?

From the currently open “Affordable Housing” subsidy and loan program, we are able to provide funds of up to CZK 250 million per applicant. We have set it up so that 90% of the amount will be provided by SFPI in the form of a direct grant and a soft loan and 10% will be paid by the municipality from its own resources or from a commercial bank loan. If a project is more expensive, SFPI sticks to the limit of CZK 250 million and it is up to the municipality to procure multisource financing. Our experience shows that an average project implemented by a municipality in 2024 covered about 10 apartment units, while the total investment cost amounted to CZK 34.5 million . While some municipalities are more experienced and enterprising, others still collect the needed education and know-how.

What requirements must an affordable municipal housing project meet to qualify for financial support from your investment program?

There are many criteria; a full list is available on our website www.sfpi.cz and, of course, in our regional centres. Put briefly: it must be either housing for the lower and middle class with a net income of up to CZK 40,000 per adult per month, or for young people under 35, or for workers in preferred professions. We provide financial support for flats with a maximum living area of 80 m². Not only must the projects comply with the applicable Czech and European

legislation, but they also must meet the defined minimum qualitative architectural, structural-technical, environmental, social, and economic criteria.

We follow developments on the European Union level concerning ESG, and submitted projects that meet the DNSH (Do Not Significant Harm) criteria of the EU Taxonomy are eligible for a 5% higher subsidy. There are about 6 sites that concern the construction itself, the subsequent operation, and the individual technological units. This is our contribution to ensuring that projects built in the public interest are sustainable in the long run. This is also related to the fact that environmentally friendly practices and technologies are more expensive and their effectiveness is only visible during operation, for example in the form of lower energy and water consumption.

As part of broadening our advisory services and partnerships with academic institutions (e.g. CTU and UCEEB and others), we also consider preparation of standard apartment buildings built, for example, from CLT panels in a modular way, which will mean shortening (and therefore cheapening) their preparation and implementation. I believe that we will once again meet the great demand of Czech municipalities for affordable housing. We are working on the project with our partners, such as CTU UCEEB and others.

Are Czech banks interested in financing municipal rental housing projects? What do you think of their offers?

This type of financial product has only been developing on the market in the last two or three years, since before then, rental housing construction was practically non-existent.

Rental housing project – Žďár nad Sázavou



Rental housing project – Žďár nad Sázavou

By 2023, municipal construction only accounted for 1% of total construction in the Czech Republic. This is now changing, and in addition to the aforementioned municipalities, churches and development companies have started entering the rental housing segment to build these projects for institutional investors.

I have noticed that even large banking houses have started offering their own financial products, and thus one can imagine multi-source financing of more challenging affordable rental housing projects consisting of our support (a combination of a soft loan and a subsidy), own funds from the municipal budget, and a commercial bank loan. This is good news for us, because the more money there is in the market, the better it is for the development of affordable rental housing. In my opinion, municipalities represent the preferred clientele from the banks' point of view, so I think that the offer of commercial financial products will expand in this direction. Since banks are heavily regulated by the European Union and have to comply with the EU Taxonomy rules when financing real estate, they will prefer long-term sustainable projects that meet the ESG criteria.

What is the involvement of the State Investment Promotion Fund in international cooperation?

SFPI operates at the local, regional, and national level in the Czech Republic and at the international level within the EU. We are a member of Housing Europe, the largest professional organization associating residential housing opera-

tors. We exchange experiences and discuss rental housing market developments together.

At the end of 2024, we established the Housing Investment Advisory Hub (HIAH) in order to moderate the debate between the public sector and experts from both the Czech Republic and abroad. To give you an idea, we deal with themes such as effective zoning planning, public-private sector cooperation, regional residential housing construction project financing, etc. I am glad that when we were preparing HIAH, we could consult and gain experience from the Prague Development Company and that HIAH includes an input from abroad represented by Bob Jordan, former managing director of the Irish Housing Agency.

Professional approach as the key to the development of Vienna

The system of Viennese support, which unfortunately is not transferable to the Czech (or any other) environment, has been shaped over the last 100 years, during which time it has achieved a robustness that can not be shaken by system changes or by changing (old and future) political coalitions. It is characterised by stability and a social consensus "accumulated" over time, in which the majority of the inhabitants of the Austrian capital have a personal stake.

Vienna, which after 1945 became a de facto periphery of democratic Europe, was spared significant urbanisation pressures until the 1980s. In terms of its own housing stock renewal, the city was pretty saturated; the construction of new council housing and entire projects was not considered a priority until the 1980s.

All the more dramatic was the development in the 1990s, when the fall of the Iron Curtain was followed by the war in the former Yugoslavia, and Austria was in the first zone where people were fleeing the war. In 1992–1997, the dramatic increase in the number of new inhabitants in Vienna became a number one social issue and the impetus for the renewal of municipal housing construction. The 1990s saw the beginning of numerous new municipal housing projects (Gemeindebau). Another wave of truly intensive construction involving several thousand council flats began under the leadership of "Wiener Wohnen" after 2010.

The entire organizational setup of urban development in Vienna is structured, and it is not easy to decode the whole system at a mere glance. Here are the principal entities involved in the development of the city and its municipal projects:

Wohnfonds Wien (WOFO) is the organization of the city of Vienna that manages strategic land development and land preparation. It is a somewhat "hidden" but key institution that plays a central role in land development (particularly in the areas of land purchase), consolidation, and preparation for housing development. The organization has been involved in strategic purchasing of land from private entities for decades, consolidating ownership on the part of the city and its entities, often including brownfields, which it also (even though not exclusively) regenerates and prepares for the construction of affordable municipal housing. This organization is responsible for zoning and technical preparation, including addressing environmental burdens and the necessary infrastructure building.

WOFO is the key player on the side of the city that coordinates and manages the entire cooperation process in the case of large territorial units originally owned by, for exam-

ple, state railways, from contractual condition definitions via plotting and scheduling to the preparation of a detailed master plan for the area. Subsequently, it coordinates and administers tenders for investor selection and, on the city's side, handles the setting up of external financing of the construction.

The second (also somewhat hidden and no less important) institution for setting up the preparation of municipal projects and especially for larger areas is the **Wirtschaftsagentur Wien** (Municipal Economic Agency). This is a city-owned organization that brings together information and know-how in the field of commercial services and innovation and research, supporting start-ups, foreign investment, and regional cooperation. In addition to residential housing, every urban project or site preparation activity in Vienna also includes a detailed plan for the use of the ground floor, the setting up of other services, and an appropriate mix of functions in terms of jobs, administration, and light manufacturing. The purpose is to achieve a suitable "mixed-use" and use as a complement to the residential function of the project. The agency also handles the contractual agenda with tenants and users of the non-residential premises for commercial services and non-commercial purposes.

Then, of course, there is the **Wiener Wohnen** – the organization that looks after the city's housing stock of more than 200,000 city flats, both in terms of their administration and tenancy management, as well as after the area of new municipal housing construction (Gemeindebau) and housing renovation. In the case of renovations and transformations of buildings, Wiener Wohnen draws on the land it has in its portfolio. In the case of new sites, it works with WOFO to select and prepare suitable land. Wiener Wohnen then prepares projects ranging from initial budgets to tender documentation. The organization manages public procurement projects and tenders for the selection of suppliers as well as the entire implementation process. Wiener Wohnen also manages its own rental income, and new projects are entirely under its responsibility. Within its organizational structure, it has set up internal approval procedures to verify cost-effectiveness, in terms of revenues and costs as well as a definition of standards. Wiener Wohnen is also responsible for finding external financing solutions for project implementation. This means that in municipal construction preparation and implementation, Wiener Wohnen acts as an independent entity which, for most strategic decisions, does not require interaction with the Vienna City Council which would continuously approve project milestones, etc.

In terms of the approach to preparation, in fundamental respects the preparation of specific projects in terms of calculations, or setting of development phases, does not differ from the procedures of the Prague Development Company (PDS). The core team preparing municipal housing projects at Wiener Wohnen consists of about 30 people. Even so, this team has an in-house back office with administration staff, legal services, public procurement management, public relations, participation, etc.

From the point of view of negotiations and permitting, specific projects are approved and discussed in the quality assurance system (Qualitätssicherung), which is (very simply put) a system of committees and advisory boards composed of representatives of various city departments and external professional and salaried experts who, at various stages and from different perspectives, assess the submitted projects and grant them their approvals. This system is set up for both private and public investors. If a project passes the scrutiny of the quality assurance system, the approval process itself is then more or less a technical matter with final confirmation of compliance mainly with the technical requirements by a municipal department with a somewhat curious name, the Building Police (Baupolizei).

Another important element of this system, both in Austria and in Germany, are independent project companies established to develop specific areas. For example, the **Wien 3420 Aspern Development AG** was established in 2010 to initiate, coordinate, and manage the development of a new district called Aspern. This company is owned by GELUP GmbH (73.4%) and Bundesimmobiliengesellschaft BIG (26.6%). GELUP is a subsidiary of Wirtschaftsagentur Wien, and Bundesimmobiliengesellschaft BIG is a state-funded company managing a portfolio of state-owned land (most of the former airport land had been in state hands before the coordinated development was started). One of the initiating steps at the beginning of the entire Aspern area development involved the establishment of a professional organizational structure and management, which in the ongoing process of gradual project implementation has reached several dozen company employees.

And last but not least, we have the Magistrate of the City of Vienna which itself has multiple strategic-coordination departments. The Vienna City Hall makes the necessary changes to regulations and changes to the land use plan for municipal investors, and it enters the preparation of land use projects with requirements for social and educational infrastructure.

Looking at the entire system of rental housing support in Vienna, it should be emphasized that all actors involved in the preparation of projects and development of larger areas feel the need to have this process robustly and pro-

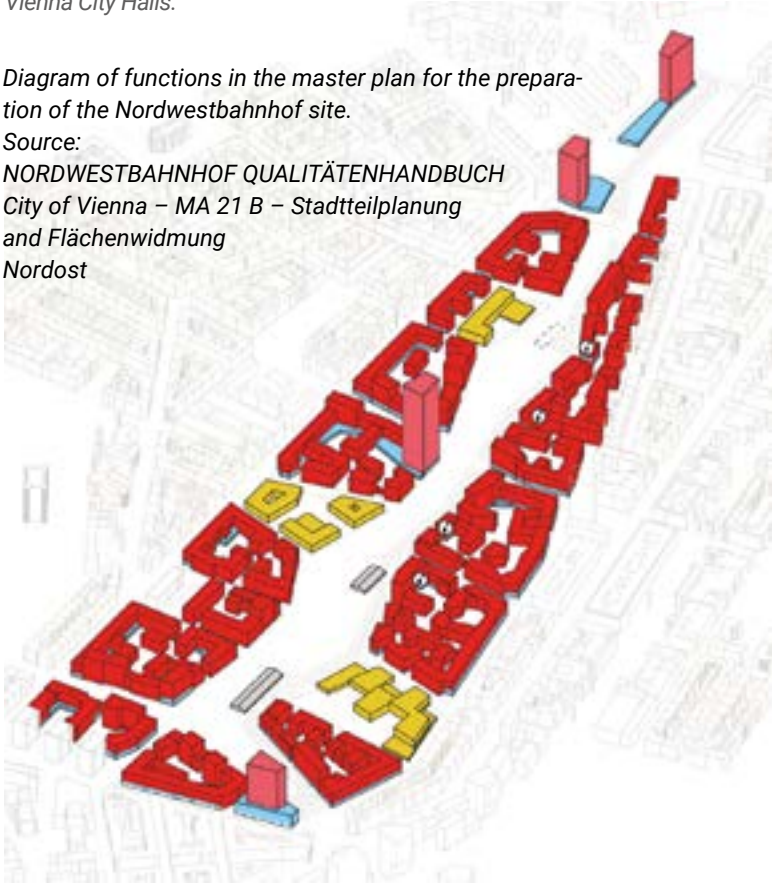
fessionally secured, also in view of the shared awareness that this creates long-term assets whose value increases over time, while the actual operational and administrative costs incurred to ensure comprehensive preparation are, in nominal terms, only a fraction of the values thus created – this means that one encounters a professional and expert approach in every step and on every level, not far away from the approach of the private sector.

Martin Červinka, Deputy Director of PDS

In 2024, Martin Červinka spent two weeks at the Magistrate of the City of Vienna and with Wiener Wohnen as part of the program of experience exchange between the Prague and Vienna City Halls.

Diagram of functions in the master plan for the preparation of the Nordwestbahnhof site.

Source:
NORTHWESTBAHNHOF QUALITÄTENHANDBUCH
City of Vienna – MA 21 B – Stadtteilplanung
and Flächenwidmung
Nordost



- Legend:
- Apartments
 - Mixed (residential, office, retail, etc.)
 - Educational institutions
 - Non-residential spaces
 - Existing buildings
 - Nursery school

1. Introducing PDS

Prague Development Company is a municipal statutory organisation of the City of Prague which is professionally focused on developing real estate assets owned by the city that have been entrusted to it. PDS initiates and co-ordinates the preparation of projects, especially rental housing and other buildings in the public interest, on land that has been handed over to it for management.

PDS establishment in 2020

The City of Prague is the administrative, economic, commercial, and cultural centre of the Czech Republic, whose interesting job opportunities and attractive lifestyle attract tens of thousands of new residents every year. This trend of urbanisation, which affects the entire metropolitan region, is not expected to stop, but rather to strengthen significantly. The excess of demand over housing supply in the Czech capital dramatically increases the price of housing, thus limiting its affordability.

The political representation of the City of Prague agreed in June 2020 that one of the ways to counter the housing crisis is to revive municipal housing construction, which de facto ceased after 2000. Since real estate development is a highly professional, investment-intensive and time-consuming activity, the city council established an independent city-owned professional organization, the Prague Development Company (PDS), to implement this plan.

PDS' establishment was preceded by roughly a year of preparation, which consisted of gaining experience from similar municipal companies in Hamburg and Munich, and identifying suitable locations for future municipal housing construction. In the middle of 2019, the Prague Institute of Planning and Development formed a small initiation team to examine suitable land plots and analyse options for their use, especially for residential construction.

By decision of the Prague City Council, land with a total area of 40 hectares suitable for the construction of 6,000 to 8,000 flats over a 10-year period was handed over to PDS for management in May 2020. At the same time, an expert team was created, led by managing director Petr Urbánek since 2020.

PDS' objectives

PDS' main long-term objective is to increase the value of municipal land through expert integrated project management and an expanded housing stock. At the same time, its economic goal is to achieve cost neutrality for the taxpayer.

PDS has adopted a comprehensive approach to both the preparation of municipal rental housing projects and the development of larger city-owned land units in which entire new urban districts will be created comprising residential housing, administrative, retail, and service buildings, including civic amenities, particularly in the form of school, leisure, and cultural facilities for current and future local residents.

The new municipal rental housing is mainly intended for people in professions that are critical to the optimal functioning of the city (education, health care, transportation, security, and technical services), and vulnerable groups of residents such as single-parent families and seniors living alone.

PDS' 2020–2023 strategy

PRAGUE DEVELOPMENT COMPANY brings to the municipal environment the practices that are standard in professional development companies. Thanks to that, cost and process effectiveness of complex preparation of individual projects is assured, together with intensive cooperation with a broad range of expert professions which the city does not have at its disposal.

2021

In its first year of its existence, PDS carried out activities of so-called land development on the portfolio of municipal land entrusted to it, which especially included unifying municipal land ownership under a single public-benefit entity so that subsequent project preparation could be effectively

managed and coordinated. At the same time, PDS worked on the preparation of the supporting economic, construction, and socio-demographic analyses and the preparation of conceptual designs for future projects.

2022

In late 2021, after the Prague City Council approved the progression of the first few prepared projects under preparation to their next investment-design phases, a series of tenders for designers and design contractors were begun by PDS in 2022. In 2022, the first ever architectural competitions for municipal housing development were announced: for the V Botanice residential building (Praha 5) and the Vršovická residential building (Prague 10). In both cases, renowned architecture studios from abroad participated.

2023

In 2023, further tenders for designers followed, and some projects advanced to the phase of preparing documentation for planning permits or combined planning permit and construction proceedings. PDS has also been significantly involved in the international ASCEND project. The project preparation for a completely new district in Dolní Počernice, a pilot project of the City of Prague within the international ASCEND network, aims at compliance with the principles of sustainable development.

There are other PDS projects that also plan to incorporate various environment-friendly approaches and technologies in their implementation phase as well as during their operation.

2024

The year 2024 was marked by the start of building permit proceedings for the first affordable urban rental housing Projects. In late June, PDS submitted applications for building permits, or combined zoning and building permits, for five smaller residential projects. These building permits are expected to be issued in the first half of 2025. An important milestone was the approval of changes to the zoning plan for the Palmovka and Nové Dvory development sites, which will enable coordinated urban development of these areas in accordance with the approved zoning studies and, thanks to the increase in capacity, adequate use of the development potential of these municipal land plots. A significant milestone was also reached in the preparation of the Vltava Philharmonic Hall project where, two years after the international architectural competition, a detailed architectural study of the project was completed by the Danish studio Bjarke Ingels Group. As of 31 December 2024, the portfolio of municipal land handed over to PDS for management amounted to more than 750 thousand square meters of land.

Achievements of the past four years

2020

June 2020	Establishment of the Prague Development Company The PDS real estate portfolio comprises 400,000 m ² of entrusted municipal land.
October 2020	PDS acquires its headquarters in Radniční domy, just off the Old Town Square. The Prague City Council names Petr Urbánek as director; he begins to assemble PDS' team of project managers.

2021

January 2021	First meeting of the Investment Expert Committee (IEV in the Czech acronym), which is made up of leading experts in economics, real estate development, and construction law.
May 2021	First-ever market valuation of the real estate portfolio of municipal land which has been handed over to PDS for management. The market value is calculated at CZK 2.939 billion.
June 2021	Client's brief for municipal housing construction is approved by the Prague City Council. It is a unique concept paper even in a national context.

September 2021	Cooperation begins with universities – with the Faculty of Architecture at Czech Technical University in Prague on a semester-long assignment on the Palmovka project, and with the MBARE programme at the Prague University of Economics and Business on a development project for the Nové Dvory location for students' diplomas.
September 2021	The Prague City Council approves PDS' practices on its first projects, which were previously approved and assessed by its Investment Expert Committee, for the next phase of investment and project preparation.
October 2021	First presentation of the Palmovka and Nové Dvory development areas at the prestigious Expo Real real estate trade show in Munich.
November 2021	PDS announces its first tender for architects and designers. It is for the Na Hutích nursery school in Prague 14.
December 2021	The 15-member PDS team is responsible for 12 locations and a total of more than 50 investment projects.

February 2022	PDS launches a series of tenders for project documentation suppliers and design contractors for the first ten of its projects.
March 2022	PDS announces the first ever architectural competition for municipal development in Prague. It is the V Botanice housing project in Prague 5.
March 2022	PDS presents the Palmovka, Nové Dvory, and Dolní Počernice development areas at the MIPIM real estate trade show in Cannes. The presentation also includes a large-format spatial model of the future Palmovka area created by students of the Faculty of Architecture at the Czech Technical University in Prague with support and cooperation from PDS.
April 2022	The Prague City Council entrusts PDS with tasks connected to the coordination of project preparation for the Vltava Philharmonic Hall.
June 2022	PDS announces a second architectural competition – for the Vršovická residential building in Prague 10.
June 2022	PDS becomes a member of the Czech Green Building Council.
June 2022	The Prague City Council authorises PDS to set up the project preparation process for the Former Centrum Nová Palmovka building as the new headquarters of the EU Agency for the Space Programme (EUSPA).
July 2022	PDS commissions an annual market valuation of its expanded portfolio. The market value of the municipal land handed over to PDS for management grows to CZK 4.298 billion .
August 2022	An expert jury announces the winner of the architectural competition for the V Botanice residential building. It is the Prague-based bod architekti.
September 2022	The project team for the Vltava Philharmonic Hall gradually starts work under the banner of PDS.
October 2022	PDS presents the Palmovka, Nové Dvory, and Dolní Počernice projects at the Expo Real trade show in Munich.
October 2022	An expert jury announces the winner of the architectural competition for the Vršovická residential building. It is the Brno-based Kuba & Pilař architects.

December 2022	PDS presents a concept study of affordable municipal housing and public space to local residents of the Černý Most neighbourhood as part of public hearings.
December 2022	The 16-member PDS team is responsible for 17 locations and a total of nearly 60 projects.

2023

January 2023	PDS launches a series of tenders for project documentation suppliers for upcoming housing projects.
February 2023	PDS presents a large-scale model of the Nové Dvory project to the expert public and specialised media created by students of the Faculty of Architecture at the Czech Technical University in Prague.
March 2023	The new neighbourhoods project in Dolní Počernice is PDS' pilot project in the ASCEND international cooperation programme, which prepares climate-neutral municipal districts in the EU.
May 2023	PDS presents its activities over the past 12 months to the media.
May 2023	Presentation of PDS activities to the press.
June 2023	Successful defences of development diploma projects by students of the MBA programme in real estate development, investment and valuation at the Prague School of Economics and Business (Sofijské náměstí area). PDS is the guarantor of assignments for development projects in the City of Prague.
July 2023	Websites launched for the V Botanice, Jalový dvůr and Vršovická projects.
August 2023	PDS commissions the annual market valuation of its current portfolio. The market value of municipal land handed over for management increases to CZK 7.124 billion .
September 2023	Completion of project preparations for the new headquarters of EUSPA and the announcement of a tender for a general contractor for the Investment Department of Prague City Hall.
October 2023	Presentation of the Nové Dvory project at the Expo Real international real estate trade show in Munich.
December 2023	The 16-member PDS team is responsible for 17 locations and a total of nearly 60 projects.

May 2024	The Prague City Council approves zoning plan change No. Z3810 for the Nové Dvory site.
June 2024	The Prague City Council approves zoning plan change No. Z3517 for the Palmovka site. Applications for building or zoning permits are submitted to the competent building authorities for the first six housing projects.
October 2024	Presentation of the Nové Dvory projects at the Expo Real international real estate trade show in Munich.

The Prague City Council approves the manual for commissioning primary school projects with the addition of detailed building programs for different types of primary schools.

PDS performs the periodic annual market appraisal of its current portfolio. The market value of the municipal land handed over for management increases to CZK 8.8 billion thanks to the approved changes to the zoning plan for the sites of Nové Dvory and Palmovka.

December 2024

The 19-member PDS team is responsible for 17 locations and a total of nearly 60 projects.

People of PDS



Petr Urbánek
Managing director



Mgr. Martin Červinka, MBA
Deputy director



Ing. Kristina Fillová
Office manager



Mgr. Hana Matějková
Financial manager



Monika Kloudová
Financial controller



Soňa Boháčová
Assistant



Martina Frintová
Communication specialist



**Ing. arch. Tomáš Lukeš
(ČKA authorisation)**
Project team leader



**Ing. arch. Roman Brotánek
(ČKA authorisation)**
Project manager



Ing. Radka Kalfeřtová
Project manager



Ing. arch. Michaela Kloudová
Project manager



Ing. Jakub Kovářiček
Project manager



**Ing. arch. Štěpán Kubíček
(ČKA authorisation)**
Project manager



Ing. David Mestek
Project manager



Ing. arch. Pavel Novák
Project manager



Bc. Marcel Pérez
Project manager



Ing. Rastislav Tomaščík, MBA
Project manager



Ing. Petra Vaněčková
Project manager

Joint sports events

PRAGUE DEVELOPMENT COMPANY traditionally participated in the CTP Doksy Triathlon Race, held on Sunday 8 September 2024 at Máchovo jezero lake. In the compe-

tion of 29 teams, the two relay fours from PDS ended 7th and 16th, which was an excellent result. The race included running, swimming, and cycling.

www.trirace.eu



Doksy Race 2024



Doksy Race 2024

Joint charity events

This year's traditional Christmas fund-raising event, which collected more than CZK 13,000 among PDS employees, was used to support the Opři se (Hold On) volunteer association (www.oprise.cz), who devote their free time, energy, and often their hearts to children in children's homes.

Thanks to these great people, children are given chances to enjoy adventure even outside their children's home, whether it's on bikes, in boats floating down the river, or over a forest-er's weekend with a camp fire and a night in the open air.



Photos from events organized by the Opři se interest group.

Investment Expert Committee

The PDS Charter (Article VII, paragraph 2) also established the PDS Investment Expert Committee (IEV in the Czech acronym). The nomination of IEV members was approved by the Prague City Council by document R-37460 of 3 August 2020.

With regard to the activities of PDS as a municipal statutory organization of the City of Prague, the IEV was defined as an expert advisory body assessing projects prepared by PDS and their individual phases from an economic, cost, and overall financial point of view. IEV assesses in particular materials that are intended for subsequent discussion in the Prague City Council and that form the basis for decisions about spending city funds. In the context of allowance organization functioning, this is a unique expert body that oversees operation of the municipal statutory organization and ensures that its outputs are optimal.

In accordance with the wording of its charter, 5 members were named to the IEV for a three-year term.

All of the following members meet the definition of a trustworthy and professionally competent person (for the purposes of the definitions according to the Statement of the Czech National Bank of 3 December 2013). The Statutes of the IEV were approved on 25 January at its founding meeting and the presented members of the IEV were given their letters of appointment.

At its first meeting in March 2021, the basic parameters of the documents to be submitted by PDS to the IEV for review and verification were agreed upon. They will include key parameters of economic return and economic sustainability of PDS projects.

Since the first three-year term of office of IEV members elapsed in 2024, the Prague City Council approved the renomination of existing IEC members in January for the next term of office.

In November 2024 the 8th IEV meeting was held. At this meeting, the next steps were approved for the project:

■ Nové Dvory PROJECT 6

We assume that the next steps for these projects will be submitted to the Prague City Council for discussion in the first half of 2025.

Membership of the Investment Expert Committee



Mgr. Martin Bendík, law, Wilsons law firm, specialist in real estate law, real estate development and acquisition



Ing. arch. Jaromír Hainc, Ph.D., land use planning, IPR Praha, academic worker and university educator (FA ČVUT)



Ing. Martin Hvězda, economics of construction projects MH Cost Management, specialist in economics and construction budgets



Ing. arch. Lukáš Kohl, architecture and residential development Atelier Doma je Doma, Architect, developer, analyst on smaller development projects



Ing. Miroslav Singer, Ph.D., banking sector and financing Generali CEE Holding, economist

2. Expert preparation of project overview

Projects and 2025 budget

Specific PDS projects were introduced into the City of Prague's project list on PDS' HMP Larger sites were divided into phases or projects managed separately.

In total, more than 60 PDS projects are registered in the City of Prague budget, for which, at today's prices and at the current level of knowledge, total investment costs of more than CZK 40 billion, including VAT, can be assumed.

DRAFT CAPITAL EXPENDITURE BUDGET – OVERVIEW OF PROJECTS BY BUDGET CHAPTERS AND ADMINISTRATORS (in thousands of CZK) FOR THE CITY OF PRAGUE					
01 - Municipal development					
Department/organisation	Operation no.	Name of operation	Total cost of the project	Approved transfer of funds (capital expenditures) from 2024	Draft 2025 budget
Administrator: 0004 - doc. Ing. arch. Petr Hlaváček					
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045709	Dolní Počernice - residential construction	1885200	2000	2000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045874	Smíchov - V Botanice	304900	0	15000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045875	Nový Zlíchov	143000	0	12000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045876	Černý Most - centre	842500	500	2000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045880	Na Hutích PROJECT 3 - North-east Centre	296000	0	1000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045881	Na Hutích PROJECT 4 - nursery school	100000	0	2000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045884	Palmovka - Zenklova	176700	1000	2000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045887	Nové Dvory PROJECT 0 - infrastructure	513200	16000	4000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045890	Nové Dvory PROJECT 4	197000	2000	0

01 - Municipal development					
Department/organisation	Operation no.	Name of operation	Total cost of the project	Approved transfer of funds (capital expenditures) from 2024	Draft 2025 budget
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045891	Nové Dvory PROJECT 5	1815000	0	2000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045892	Nové Dvory PROJECT 6	3105000	1500	1500
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045893	Nové Dvory PROJECT 7	698122	0	2500
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045894	Nové Dvory PROJECT 8	596000	0	2000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045895	Nové Dvory PROJECT 9	255400	4500	1000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045897	Nové Dvory PROJECT 12	439200	0	1000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045898	Vršovická - apartment building	879300	7000	3000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045899	Dolní Počernice - infrastructure	755200	4000	0
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0045900	Dolní Počernice - Project 2	2075400	15000	0
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0046087	Nové Dvory PROJECT 1	6682530	16000	5000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0046095	Peroutkova - Jinonická	313800	0	7000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0046088	Beranka - Horní Počernice - residential buildings PROJECT 1	1357900	9000	0
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0046104	Libeňský přístav - PROJECT 1 - residential building	398400	0	500
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0046393	Vltava Philharmonic Hall - project preparation	1149000	18000	60000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0046629	Beranka - Horní Počernice - Nursery School - Project	570000	2500	1000
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0046630	Dolní Počernice - School - Project	893000	3500	500
PRAŽSKÁ DEVELOPERSKÁ SPOLEČNOST	0046638	Jinonice - residential building U Tyršovy školy	717000	3000	7000
Total			27158752	105500	134000

Valuation of land handed over to PDS for management

In its founding charter and by Resolution No. 17/3 of 21 May 2020, received management rights to city land plots for the purpose of preparing municipal housing construction projects. As of 1 August 2024, the date of the last market valuation, the property portfolio comprised a total of 757,000 m² of land.

As part of the preparation of individual PDS projects, it is necessary to correctly consider the value of land on which municipal housing construction projects are to be prepared. The parameter of market value of land serves as one of the important inputs for the preparation of long-term project budgets and forecasts, for the correct setting of future costs and decisions on the further direction of project preparation. Ongoing development activities carried out by PDS on

the land entrusted to it adds value and will continue to add value over time. To appraise and monitor land value, it is necessary to always know its initial value, which was set according to international real estate market valuation standards (RICS valuation methodology).

On the basis of the decision of the Prague City Council to that effect, PDS will prepare this market appraisal annually, as is common with e.g. open-end collective investment real estate funds, in order to have an up-to-date overview of the value of the entrusted real estate assets.

The determination of the market value of land owned by the City of Prague is also an important basis for further considerations and examinations of the possibilities of financing the municipal housing construction projects partly from external sources. As an investor in projects prepared for the implementation of affordable housing, the city would undoubtedly be a creditworthy and attractive client for the finance and investment sector, but it is necessary to set appropriate conditions during preparatory phases of municipal housing construction, especially with regard to the prescribed limits of the City of Prague's credit burden, and to find optimal bank financing models. Knowing the current market value of land suitable for municipal housing construction is a prerequisite for any considerations and negotiations.

The prepared market valuation is prepared according to valid legislation and international valuation standards and estimates the market value of individual plots of land and locations. The stated market value is the amount estimated by an expert assessor and expresses the value at which the property should be transferred on the valuation date, after proper marketing, between a seller willing to sell and a buyer willing to buy, in a non-obligatory relationship, where both parties act knowingly, prudently, and without compulsion (definition according to European Valuation Standards 2012 – EVS 1, or Article 4(76) of Regulation of the European Parliament and of the Council (EU) 575/2013 on prudential requirements for credit institutions and investment firms).

Market appraisal of land handed over to PDS for management by Knight Frank



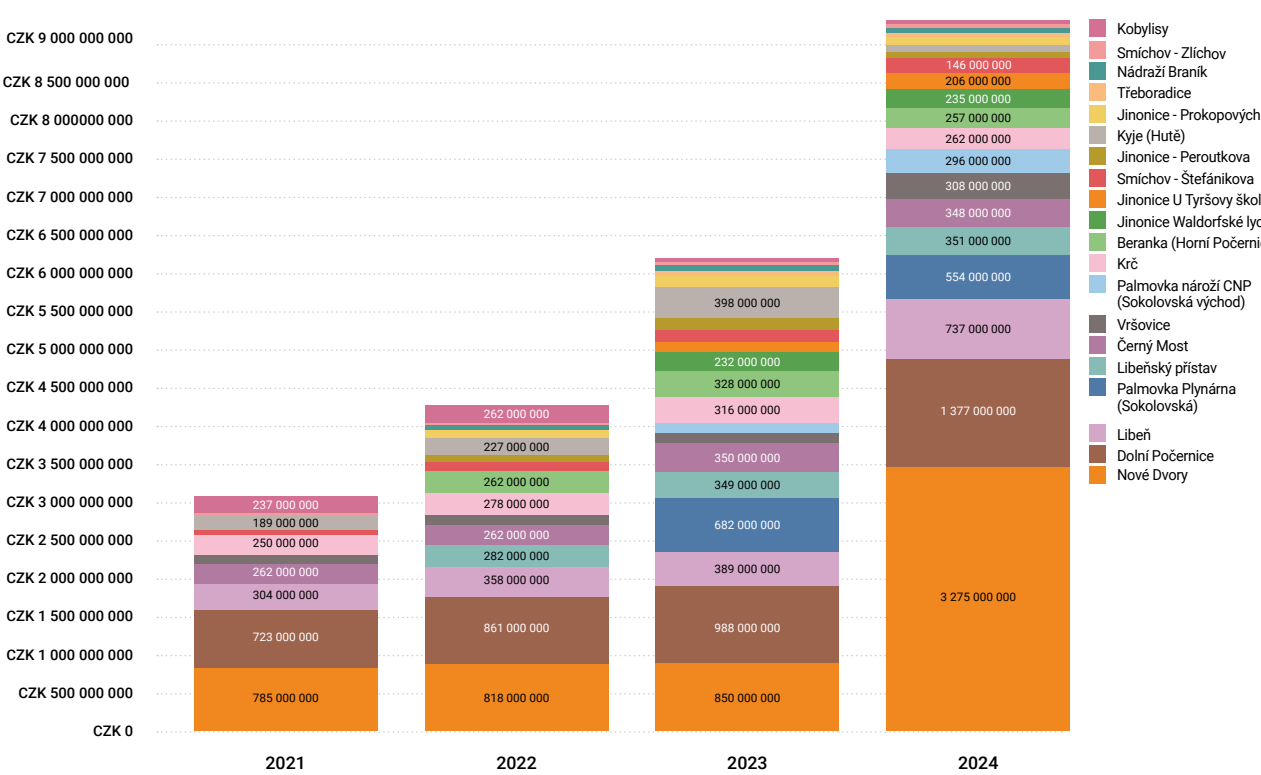
The market valuation of the set of properties under review was prepared in all four cases by the Knight Frank international consultancy firm, selected in an open tender.

- The valuation prepared as of 1 June 2021 set the market value of a total of 419,000 m² of land handed over to PDS for management at the amount of CZK 2,939,000,000.
- The market valuation of the PDS real estate portfolio prepared as of 1 June 2022 set the value of a total of 683,000 m² as CZK 4,298,800,000.
- The market valuation of the PDS real estate portfolio prepared as of 1 June 2023 set the value of a total of 816 thousand m² of land at CZK 7,123,980,000
- The market valuation of the PDS real estate portfolio prepared as of 1 August 2024 set the value of a total of 757 thousand m² of land at CZK 8,843,000,000

The year-on-year increases in the market values of the PDS portfolio are, apart from the "organic" growth, a result of the following factors: the expansion of the number of sites, the development preparation of the individual PDS projects, and the general price growth on the Prague real estate market. The most significant reason for the growth in the market value of the PDS portfolio in 2024 was the two zoning plan changes for the sites of Palmovka and Nové Dvory; these allow for an increase in gross floor area and therefore the full utilization of the economic, social, and environmental potential of both of these development sites.

The Prague Development Company expects that further significant increase in the market value of the entrusted real estate portfolio will occur after completion of important milestones in the investment preparation of the individual projects, especially in the key localities of Palmovka and Nové Dvory, which will naturally be positively reflected in their valuation.

Comparison of total market values of land handed over to PDS for management in the period 2021–2024

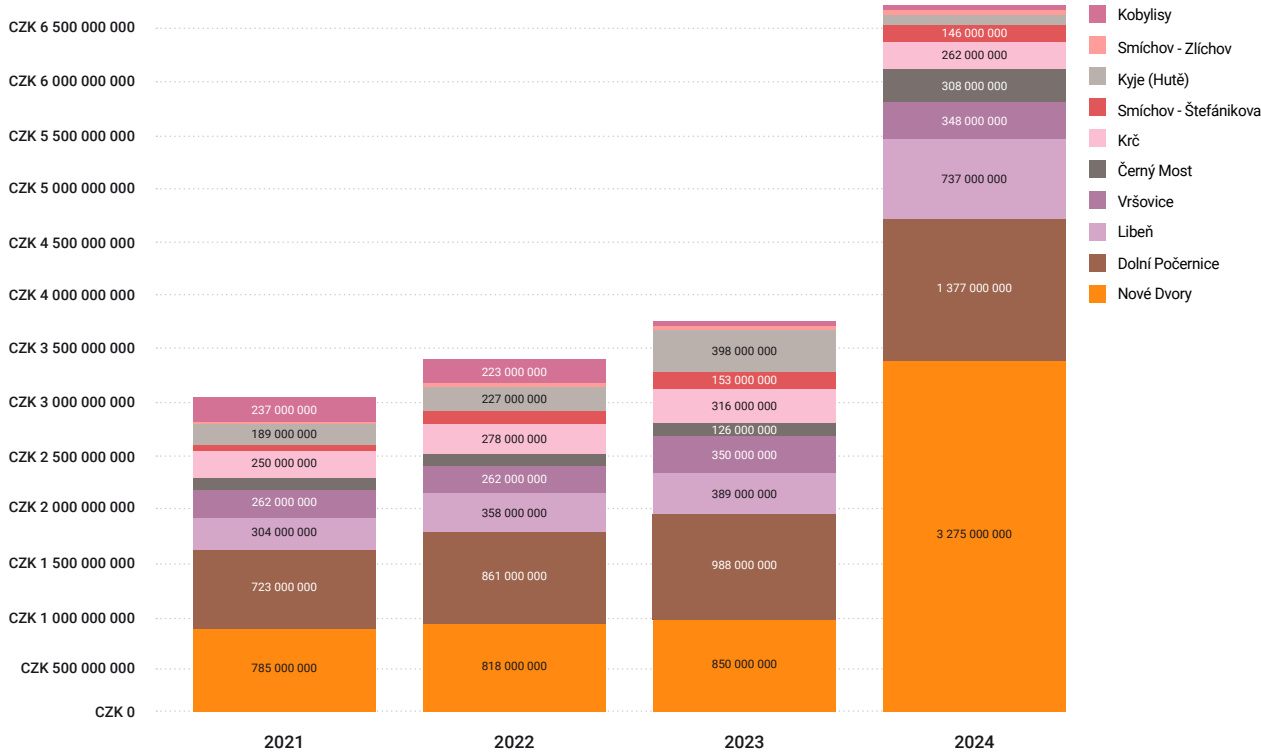


VERIFICATION OF VALUES DETERMINED BY THE RESIDUAL VALUE METHOD

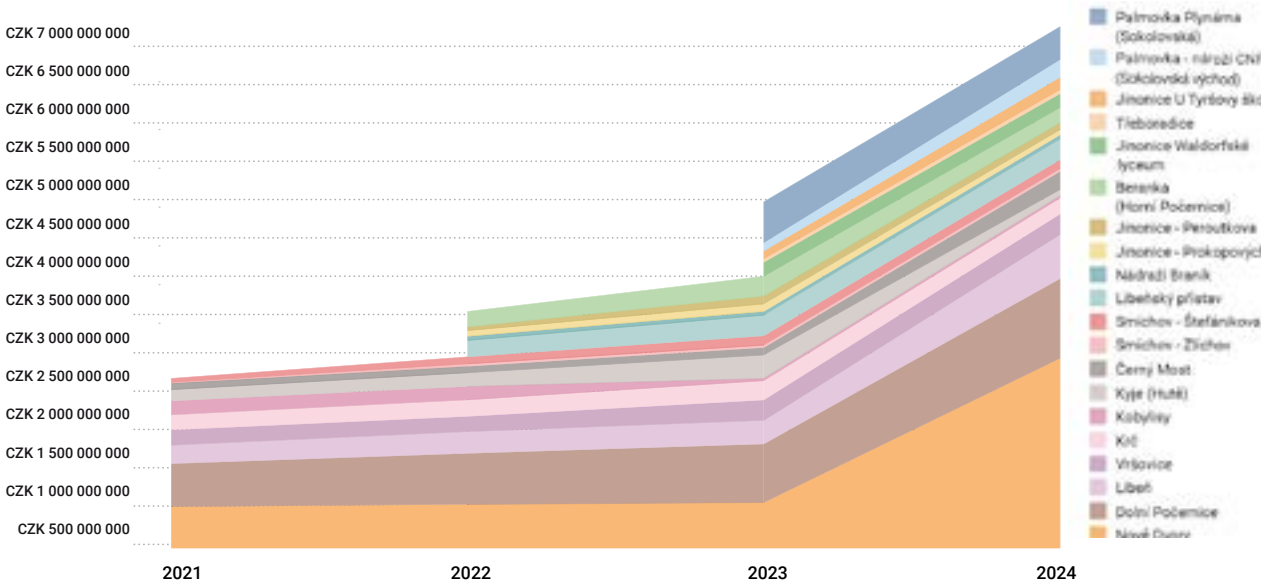
We present in the following table values calculated using the residual value method converted to m² total area of land in the location and also converted to 1 m² of GFA potential construction.

Site	Size of lots (m²)	GFA KF (m²)	Future value of the real estate used in the residual value calculation (CZK)	Value of real estate in current state (CZK)	Value of real estate in current state calculated by residual value method (CZK/m² of land)	Value of real estate in current state calculated by residual value method (CZK/m² of GFA)
1 - Černý Most	40684	22839	2032000000	308000000	7571	13486
2 - Dolní Počernice	185194	95344	7452000000	1337000000	7219	14023
3 - Nové Dvory	155154	267508	22476000000	3275000000	21108	12243
4 - Krč	6847	10074	1053000000	262000000	38265	26008
5 - Kobylisy	10067	3000	279000000	41000000	4073	13667
6 - Kyje	23208	16029	1289000000	106000000	4567	6613
7 - Libeň	17849	41892	4087000000	737000000	41291	17593
8 - Smíchov - Štefánikova	1191	5250	587000000	146000000	122586	27810
9 - Smíchov - Zlíchov	1958	1841	192000000	44000000	22472	23900
10 - Vršovice	11435	14955	1476000000	348000000	30433	23270
11 - Beranka (Horní Počernice)	61632	42646	3232000000	257000000	4170	6026
12 - Jinonice - Prokopových	60353	10393	914000000	92000000	1524	8852
13 - Jinonice - Peroutkova	18904	5318	606000000	113000000	5978	21249
14 - Nádraží Braník	29018	23446	1182000000	66000000	2274	2815
15 - Libeňský přístav	15391	15696	1636000000	351000000	22806	22362
16 - Palmovka (Sokolovská západ)	16835	29700	2617000000	554000000	32908	18653
17 - Palmovka (Sokolovská východ)	6449	16000	1545000000	296000000	45899	18500
18 - Jinonice - U Tyršovy školy	2840	8593	860000000	206000000	72535	23973
19 - Jinonice - Waldorfské lyceum	38968	10952	1085000000	235000000	6031	21457
20 - Třeboradice	53187	15523	1220000000	69000000	1297	4445
Total	757164	656997	55820000000	8843000000	11679	13460

Comparison of total market values of land handed over to PDS for management in the period 2021–2024, since 2021 included in the PDS Charter



Comparison of total market values of land handed over to PDS for management in the period 2021–2024



Development cycle of project preparation

Development project cycle and investor's influence on cost optimisation

A real estate development project is a complex process that involves several successive phases. These phases can be defined as: acquisition, zoning permit (or in relation to the current legislation, the adequate milestone in the form of EIA and SEA approvals), project authorisation (building permit), tender documentation and contractor selection, implementation, and start of operation. With each stage, there is a cumulative increase in costs and at the same time a reduction in the investor's ability to influence these costs. Careful preparation, strategic planning, and early cost optimisation in the initial stages therefore play a key role.

Phase 0 – Acquisition

The process begins with the identification and acquisition of a suitable land plot or property. It is at this stage that the investor has the greatest opportunity to influence the economic efficiency of the entire project. A high-standard due-diligence is a must; it includes an analysis of the site, the legal status of the land, the zoning plan, the market demand, and the risks. A strategic purchase of land at an appropriate price can minimize the risks associated with legislative obstacles and technical constraints while maximizing the project's potential.

Phase 1 – Zoning permit and Environmental Impact Assessment (EIA/UES)

This phase includes a detailed examination of the project compliance with the zoning plan and building legislation. One of the main objectives is to obtain a Unified Environmental Statement (UES) and to negotiate other necessary permits and consents (including the EIA procedure if required) to enable further progress. At this stage, it is possible to optimise the basic parameters of the project (capacity, purpose of use or technical solutions) and ensure compliance with all regulatory requirements. Careful preparation at this stage minimizes the risk of project rejection and subsequent financial losses.

Phase 2 – Project authorisation (building permit)

Obtaining a building permit is an important milestone of the project. This process requires the preparation of project documentation compliant with all previous approvals and technical standards. Costs increase significantly at this stage, mainly due to design, engineering, and administrative expenditures. However, the investor's ability to influence the fundamental parameters of the project is significantly reduced, as most aspects have been defined in the previous phases.

Phase 3 – Tender documentation and contractor selection

Tender documentation preparation is crucial for technical standards specification and the subsequent construction quality. The selection of the general contractor plays a key role in controlling the cost and schedule of implementation. Precise drafting of contract terms ensures that risks are minimized in the subsequent phases.

Phase 4 – Implementation

The construction itself is based on the approved project documentation and the concluded contracts. In this phase, effective management of the construction process, work quality control, and adherence to the schedule are essential. At this stage, the investors mainly focus on monitoring contract performance and budgets rather than on fundamentally influencing costs that are already determined.

Phase 5 – Start of operation

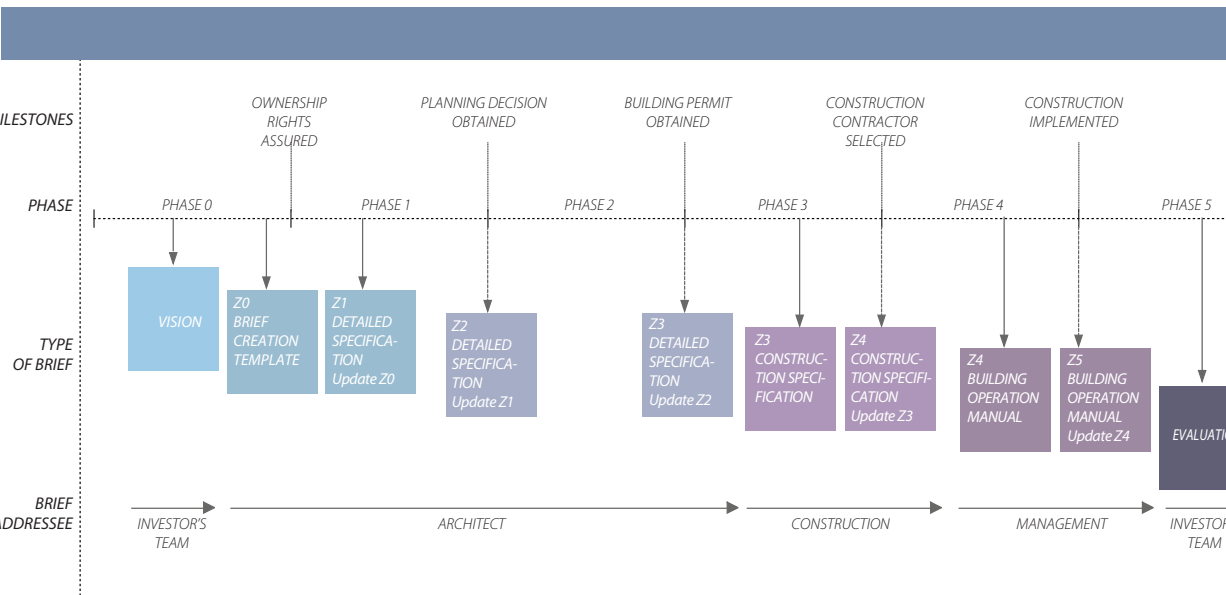
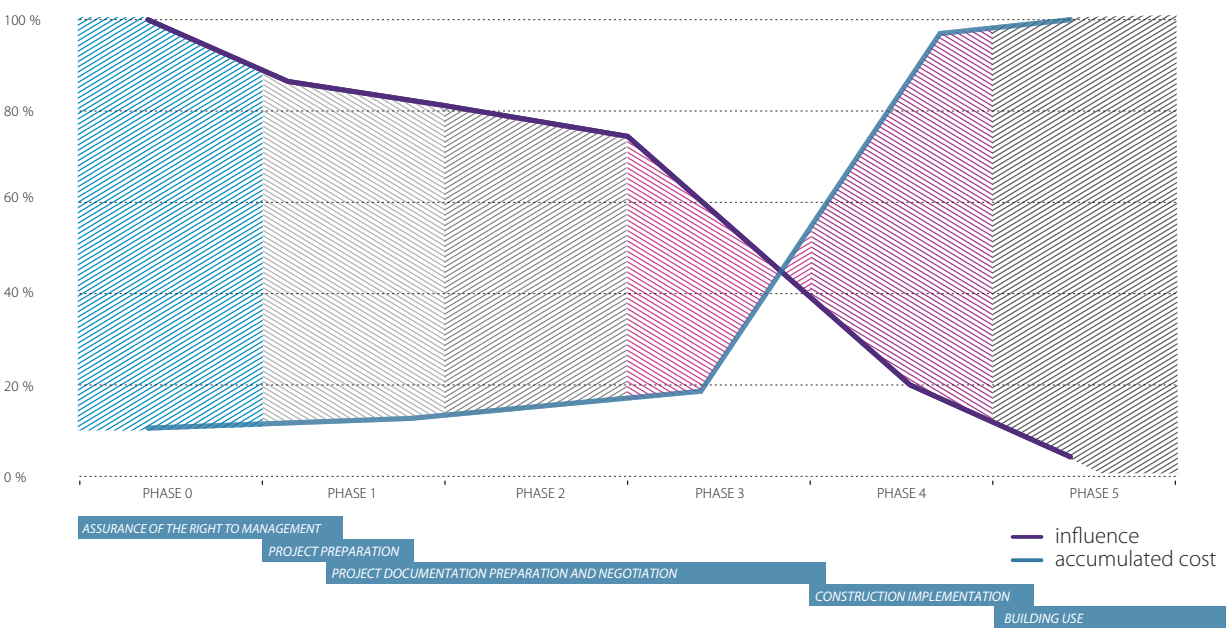
This final stage includes building approval, handover of the finished project for use, and its commercial activation (e.g. sale or lease). At this stage, the costs are fixed and the investor's ability to influence them is close to zero. The focus is shifted to marketing activities, optimisation of the costs of operation, and achievement of the planned return on investment.

Gradual loss of investor's influence on costs

As the project progresses through its individual phases, the costs increase cumulatively and the flexibility allowing changes of any kind decreases. Major decisions with long-term impact must be made in the first four phases (acquisition, agreement on the function and scope, building permit, implementation documentation), when there is the greatest chance to influence the key parameters. Strategic preparation and expert management during the acquisition and planning phase can make a significant contribution to risk minimization, reduction of unplanned costs, and maximization of the economic success of the project as a whole.

This cycle emphasizes the importance of professional management and a skilled team to ensure a smooth progression from the initial concept to a successful completion and marketing of the project.

Development of cumulative costs and investor's influence during the implementation of development projects (source: PDS)



Analysis of rental housing price development

Since 2019, the City of Prague has regularly analysed the development of rent prices in Prague, and has available a unique time series updated every six months with data going back to 2014. The latest analysis for 2024, like for 2023, was commissioned by PDS to maintain a comprehensive view of the development of rents in Prague over time. Thus, it is possible to compare trends in rent levels with the periods before the coronavirus pandemic.

The development in 2024 was influenced by the consequences of the refugee wave connected with the war in the Ukraine, which according to official statistics resulted in an increase in the Prague population by 100 thousand as of the end of 2023. The parameters for the availability of mortgage financing improved slightly over the course of the year, but the decline in interest rates was not as high as originally expected. From this point of view, and of course also in the context of rising sales prices for flats, a significant share of the demand must be concentrated on the rental market.



In 2024, a continuing trend of rental growth was evident throughout Prague, especially as a result of the difficulty in obtaining mortgage financing, coupled with the still insufficient supply in which the still-high interest rates were reflected in a trend towards stopping, delaying, or postponing projects by investors and developers due to the significant impact of financing on the project cost. These factors necessarily lead to greater pressure on the rental market and to rising rental prices throughout the capital city.

The analysis provides details of development in the individual cadastral areas (including specification of the numbers of offers over time as the basis for adjusted analysed data) and compares trends in traditional municipal housing and housing estates in Prague.

Average rents in Prague grew at an average year-on-year rate of 7.6% in the period between years 2014 and 2019. However, this growth was not uniform during the period under review. While in 2014, 2018, and 2019 the rate dropped to around 3 to 5 per cent, in 2017 it soared to almost 15%. During the coronavirus pandemic, rents fell by a total of 8% in 2020. In the latter half of 2021, rents started to rise again, and in 2022 they increased by 22%. In 2023 and 2024, the rent levels continued rising. However, the rise slowed down compared to the previous year 2022. In 2024, average year-on-year rent increase reached 3.3% in the former and 4.4% in the latter half of the year.

A comparison of the rent growth in modernist housing estates and block and heterogeneous urban housing showed a similar rent development trend in the monitored period. However, a more detailed look reveals that rental prices of flats in housing estates grew faster in the second half of the period, whereas for block and heterogeneous sites the faster increases occurred in the first half of the period.

In the second half of 2024, rental prices in Prague continued to rise in a similar tempo as in 2023 in all parts of the city, with all larger locations surveyed recording a relative increase. While in the first half of 2022 rents were still rising to compensate for the decline in rent prices during the pandemic, in the second half of 2022 the average rent was already above the level of 2019, in 2023 already significantly exceeding the pre-pandemic level, and in the second half of 2024, according to the analysis, the Prague-wide average of offered rent prices was more than CZK 420 per square metre.

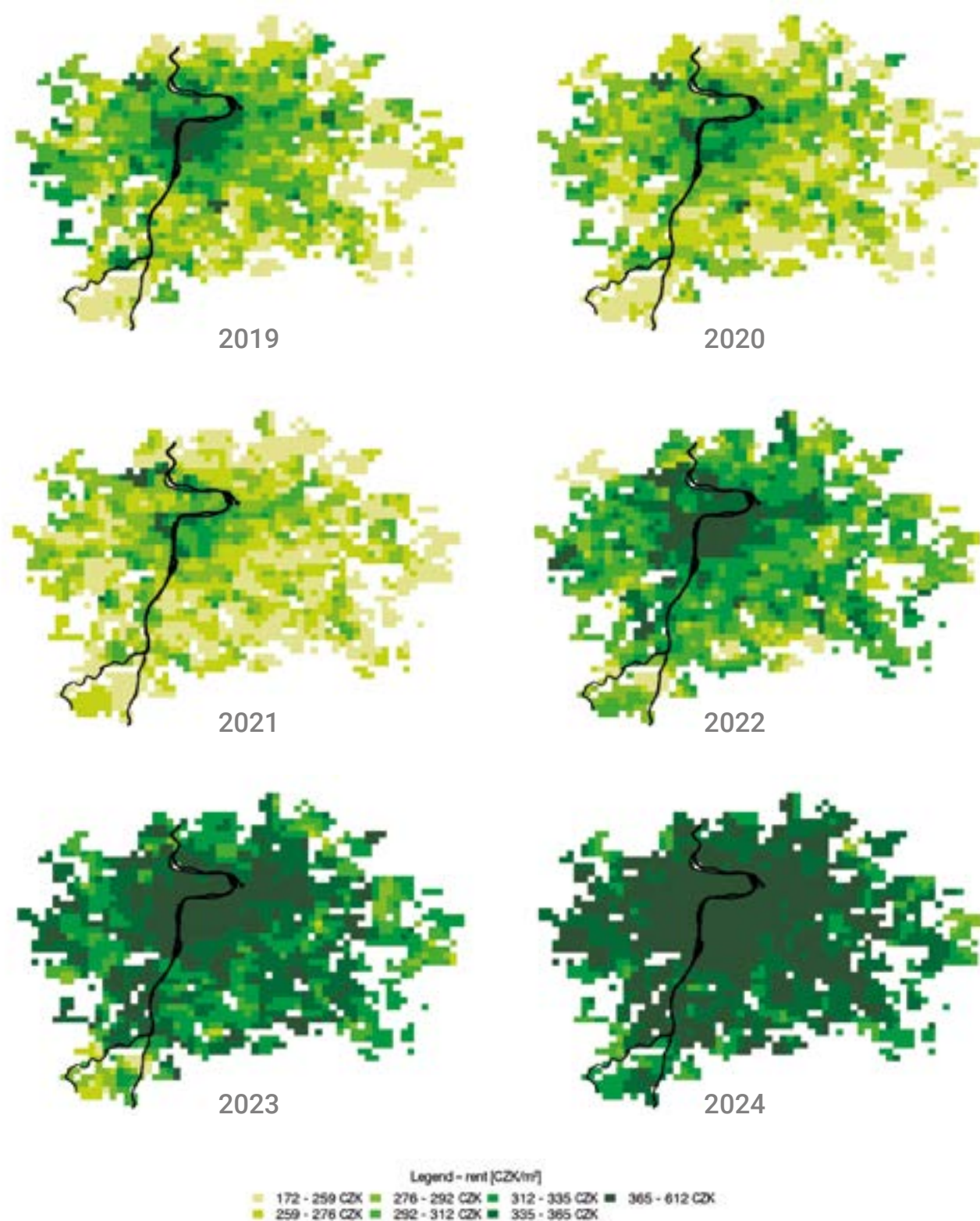
A more detailed graph of the year-on-year changes in rents and house prices for the individual half-years shows that the rise in flat rent prices culminated in the first and the second half of 2016, returned to high growth rates in the second half of 2019, and from then on lasted until the end of 2021, when the growth started to slow down. The tempo of rent increases culminated in 2017, then declined significantly, and rents began to fall in 2020 in reaction to the coronavirus crisis. However, from the second half of 2021, rents started to rise again, and in the first and second halves of 2022, they reached the highest levels since the beginning of measurement in 2014. This is due both to a recovery in the market after the coronavirus crisis, and especially to the arrival of Ukrainian refugees, who created a positive demand shock on the rental housing market.

In 2024, the current increase in housing prices is already visible, caused mainly by the demand postponement during the crisis period with insufficient supply and the simultaneous increase in rental prices throughout the whole Prague area.

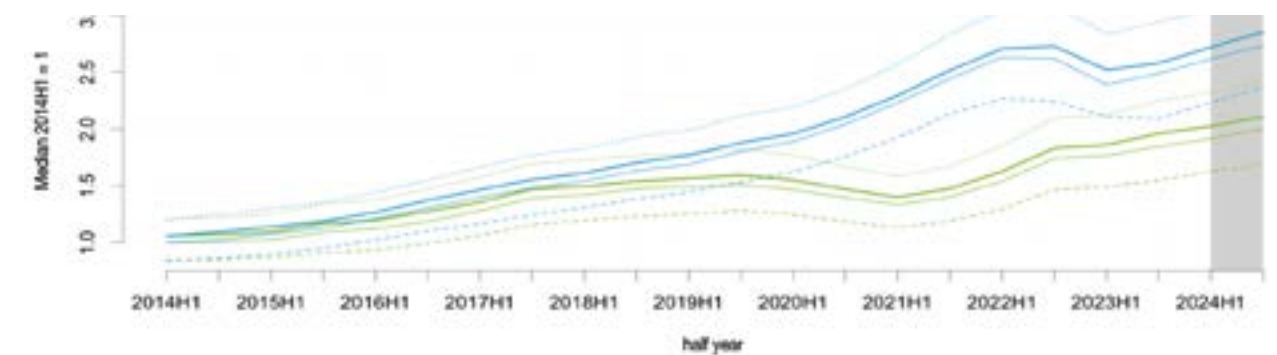
Taking into account the development of interest rates, insufficient housing supply, economic uncertainty, and the continuing war in Ukraine, further rent increases can be expected during 2025. The question is whether or not further rent increases will hit a certain ceiling in terms of the economic possibilities of Prague residents in relation to income levels and other costs. In terms of rents, rent levels can be expected to rise throughout the year.

The full analysis is available in Czech on the PDS website www.pdspraha.eu/analiza_najemni_bydleni

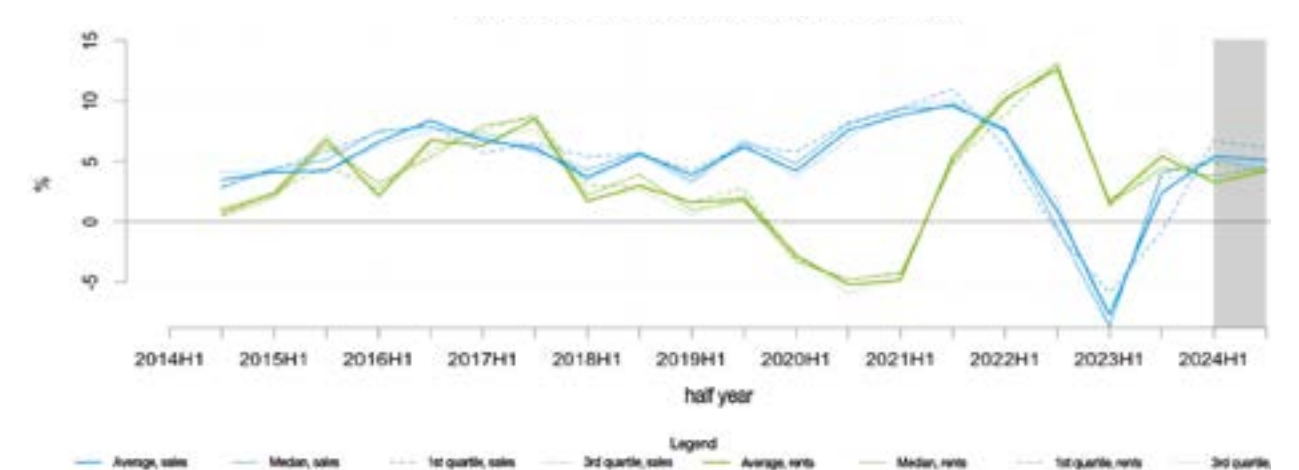
Average offer prices for rents
Means from at least 40 closest offers, square quantiles for the entire period



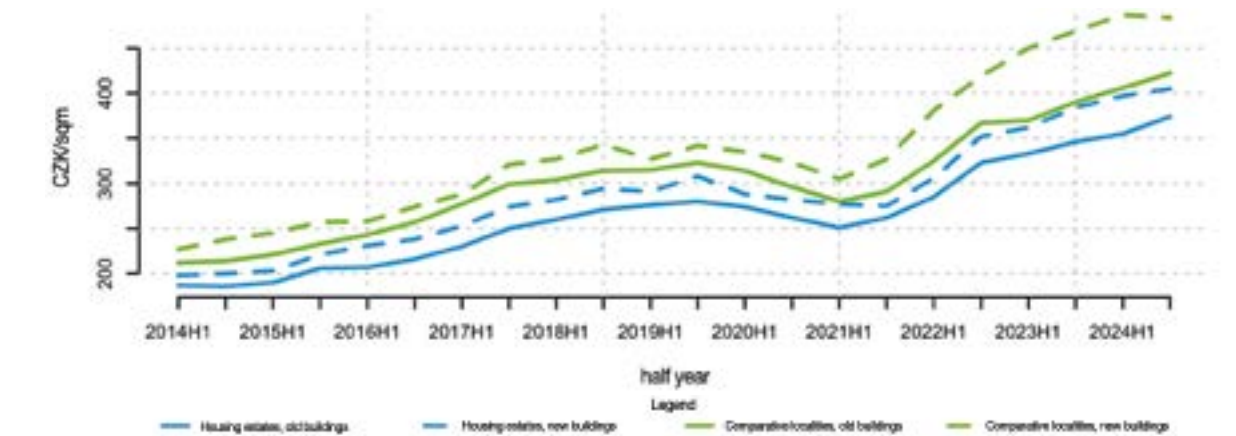
Development of rental prices and apartment prices between half-years



Relative change in rental prices and apartment prices between half-years



Development of rents by location and property type between half-years



The diagram above shows that in the monitored period, changes in rent prices in new developments and in other housing estate flats and in localities of city blocks and heterogeneous municipal housing were related without significant differences.

The full analysis is available in Czech on the PDS website www.pdspraha.eu/analyza_najemni_bydleni

Project characteristic comparison concerning developments for rent and for direct sale

In recent years, the market with rental housing projects (the area of residential development) in which the projects are prepared from the very beginning or later transformed to purely rental projects (these projects are beginning to be called BTR – Build to Rent), has also started to develop with greater intensity in the Czech Republic and especially in Prague. Rental housing projects have specific typological parameters that distinguish them from projects that are primarily aimed at sale of the new development (i.e. the BTS – Build to Sale projects). This different project strategy and typology is also reflected in the economic structure of the two types of projects. Although some of the conditions and inputs in the private sector are naturally different from municipal rental housing projects prepared by PDS, it is necessary to know the specific characteristics of such projects. This comparison of BTS and BTR projects is part of Deloitte's analysis of rental housing prices.

BTR projects

Location, accessibility, and civic amenities:

- **Site:** A stabilized area within the city – the building fills a gap or extends the current built-up area.
- **Accessibility:** Rail transport - metro or train within a 10-minute walking distance or tram within a 5-minute walking distance.
- **Amenities:** Project residents use amenities within the existing development – surrounding buildings or previous construction stages

Operational and economic efficiency of the building:

- 100+ residential units
- 50–60% of flats with parking (for inner city locations), 70–80% for outer city locations
- 80–90% of flats with a cellar
- Minimization of retail space – move to other stages
- Target net/gross floor area ratio of at least 73–75%
- Orientation of most apartments perpendicular to the facade
- Active design of the building modules – a combination of the facade width of the flats and the optimum flat layout size

User comfort:

- Emphasis on long-term housing for tenants – all flats with the possibility of a balcony or terrace, loggia or a front garden, except for one-room flats with a kitchenette
- Parking spaces near the building entrance for visitors and delivery services

Technical standard of the project:

- Charging points for electric vehicles
- Entrance to the garage for listed registration plates
- PENB “A” / “B” energy label
- Photovoltaics – electricity for common areas
- Space for smart boxes or dispensers
- Bicycle room with bike wash
- Room for baby carriage storage

Regardless of the stage of the approval process, there is a general effort on the part of the investors to optimize the mix of housing units with the goal of a higher proportion of 1-room and 2-room apartments with kitchenette. The optimization results from experience with larger size flats that may be advertised and unrented for longer and may be affordable for a smaller group of potential tenants with respect to the total rental payment relative to their net wages.

Cost structure – BTR projects

As a result of optimisation and unification, BTR projects can achieve lower construction costs and e.g. construction reserves.

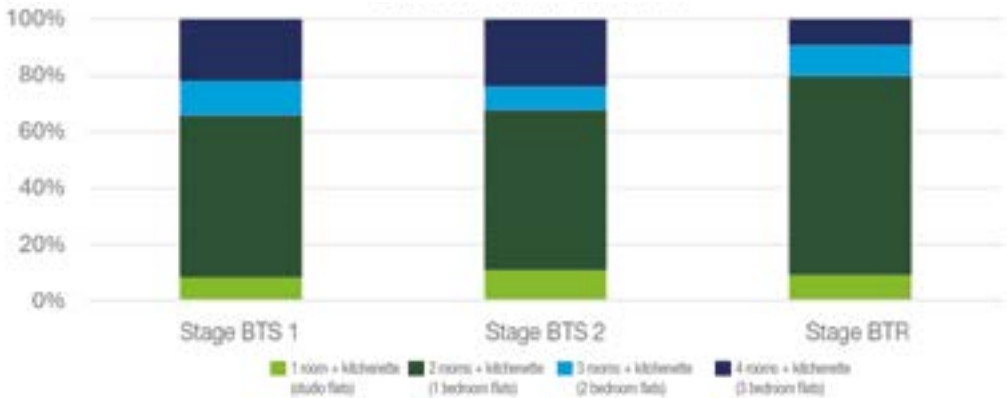
Ancillary costs are usually lower due to the absence of client-requested changes or administration associated with a large number of individual buyers.

Financing arranged e.g. in the form of forward-funding allows the developer to avoid drawing a bank loan, or to only borrow a small amount.

Real savings on marketing costs and sales commissions occur due to the fact that the buyer is known in advance.

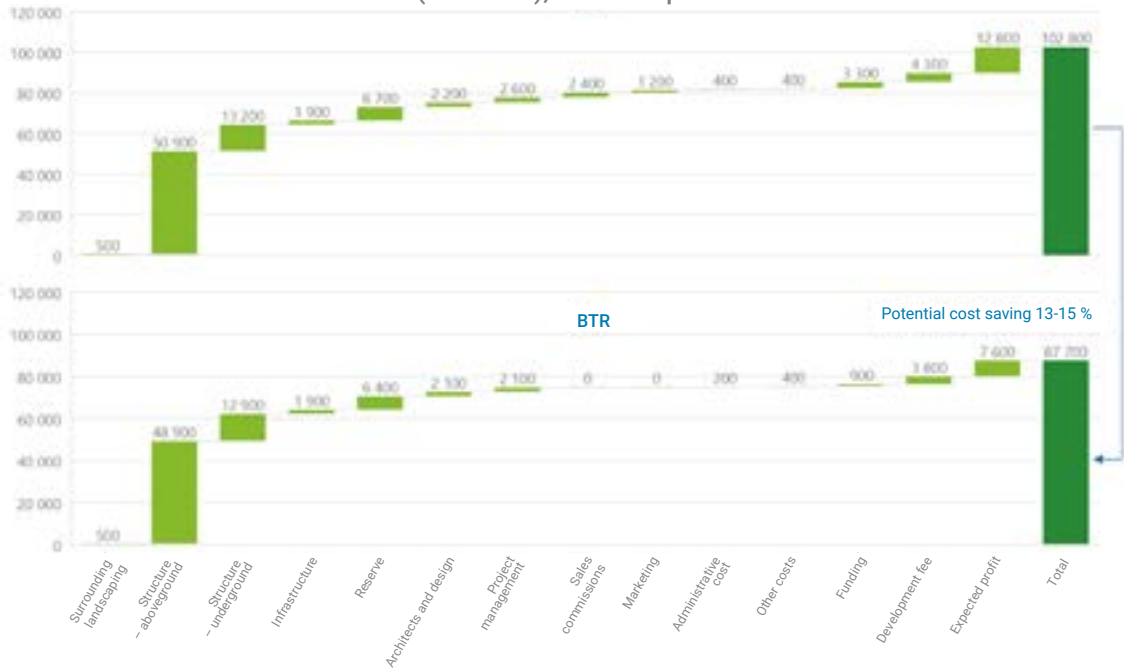
Thanks to an agreement with the investor, e.g. before the granting of the building permit, the developer may be willing to accept a lower risk and therefore a slightly lower expected profit.

Percentage of flat areas in layouts



Cost structure

Comparison of a BTR and a BTS development project – example of prices in CZK per m² of net floor area (excl. VAT), net of acquisition costs



PDS expert activities

The issue of housing affordability has become a national topic in recent years, and efforts are evident on the part of public administration and the state to take an active approach toward improving the parameters of housing affordability throughout the country. At the same time, however, in terms of professional preparation of municipal housing projects on the part of the public sector and local government, the setup and functioning of PDS is unique in a national context.

PDS representatives continuously make their experience available in preparing municipal housing construction projects to other entities and representatives in consultations and personal meetings.

In July 2024, representatives of the Prague Development Company (PDS) participated in a workshop on the future development of the Žižka Barracks in České Budějovice. In collaboration with the Archum architectural studio, they helped create a concept of transformation of this important area into a place that will be a benefit for the city as a whole. The workshop was a great opportunity to share experience from Prague and at the same time to gain inspiration from other participants who brought in new perspectives. It was encouraging to see that housing affordability was an important issue in other cities as well. PDS appreciates that the City of České Budějovice and the South Bohemia Region want to find ways to offer people better housing conditions. Sharing experiences and cooperation between cities can lead to more effective solutions for all.

In 2024, PRAGUE DEVELOPMENT COMPANY also worked on the concept of transformation of the Karlín Barracks building, where in cooperation with TaK architects, the company prepared a study to examine further procedure and the strategy of use, which also serves to discuss such a concept with the heritage care community.



Karlín Barracks, TaK architects



Karlín Barracks, TaK architects

Client's brief

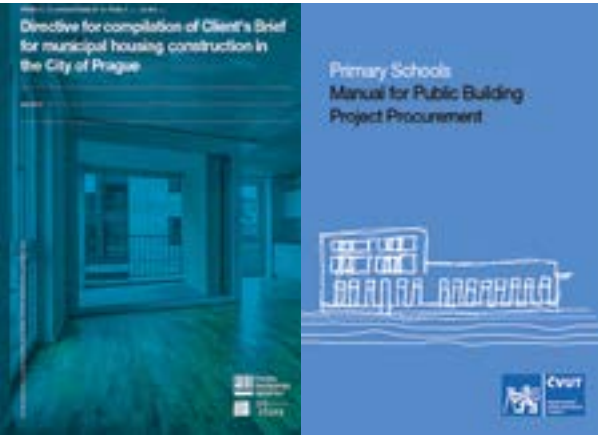
Municipal housing construction

In 2020 and 2021, the Guidelines for the Client's brief for Municipal Housing Construction were prepared in cooperation with PDS, IPR Prague, and the Faculty of Architecture at the Czech Technical University in Prague. The document, approved by the Prague City Council in April 2021, fulfils the following objectives:

- Unifies practice in preparation of municipal rental housing projects,
- defines the principles of municipal housing construction and recommends an appropriate housing structure,
- serves as a guide to help define the objectives of specific projects and the requirements placed on preparing the proposal.

On the PDS side, the client's brief is an integral part of the tender documentation for the selection of designers. According to the decision by the Prague City Council, the client's brief is also binding for all organisations of the City of Prague and is recommended for similar activities of individual Prague municipal districts. The client's brief is available for download at the PDS website:
www.pdspraha.eu/zadani-investora-pro-mestskou-bytovou-vystavbu

Client's brief prepared by Czech Technical University, IPR Praha and PDS in 2021 Primary Schools – Manual for Procurement of Public Building Projects developed by Czech Technical University and PDS in 2022 PDS establishment in 2024



Elementary schools construction

In 2022, PDS, in cooperation with the Faculty of Architecture at the Czech Technical University in Prague, prepared the document "Primary Schools – Manual for Procuring Public Building Projects," which unifies the practice of procuring public primary education projects in the City of Prague. The Primary Schools manual comprehensively summarises all aspects public investors should take into consideration. It especially contains recommendations on:

- Selecting suitable land and urban/architectural design,
- The breakdown of internal spaces intended for children's education and operational facilities.
- Exteriors and division of school grounds into sports fields, school yard, traffic accessibility, etc.
- Technical, legal, safety, and hygienic regulations.

The Primary Schools manual is available for download on the PDS website:
www.pdspraha.eu/zs-manual-pro-zadavani-projektu-verejnych-budov

After two years of use, PDS added two new sections to the document based on its experience (a detailed description of the construction program in individual capacity variants with rough cost estimates). The Prague City Council approved the updated document at its meeting on 4 November 2024 as a binding reference for all organizations of the city of Prague and a recommended reference for individual city districts.

The Manual for Primary School Construction is actively used by PDS itself, as several development site projects include the construction of educational facilities. In Dolní Počernice and Horní Počernice, the actual project preparation of primary school construction will begin soon, new primary schools will also be part of the site development in Nové Dvory and Palmovka, and in Jinonice a secondary school construction project is likely to be prepared by PDS.

PDS agenda discussed by the Prague City Council in 2024

- R-50280 – on the nomination of members of the Investment Expert Committee (IEV) of the Prague Development Company
- R-50315 – on changes to the Nové Dvory D-line metro station and on further progress in the preparation and coordination of the development of the Nové Dvory site and preparations for the Nové Dvory metro station
- R-51961 – on the Methodology for Commissioning Primary School Projects
- R-48687 – on the proposal for further progress in the preparation of "Nové Dvory PROJECT 1a" and "Nové Dvory PROJECT 1b" and on the proposal to adjust the total costs and the titles of investment projects of the Prague Development Company, municipal statutory organization
- R-53272 – on the market value of land handed over to the Prague Development Company, municipal statutory organization, for development

Nové Dvory zoning study, Department of Urban Development, UNIT architects



Professional partnerships and public appearances

Cooperation with universities

PDS has intensively cooperated long-term with universities on the preparation of its projects. In the 2021/2022 academic year, students of the Faculty of Architecture at the Czech Technical University in Prague sought out an urban planning solution for the Palmovka development area, and put together a large-format 3D model for it, which was a success at the MIPIM 2022 international trade show in Cannes, France. The cooperation continued in the 2022/2023 academic year and was focused on the Nové Dvory development area. One of the outputs was also to prepare a large-format 3D model of Nové Dvory, which was presented in February 2023 to the expert public, representatives of Prague's municipal districts and the specialised media at the Faculty of Architecture at Czech Technical University in Prague. PDS Managing Director Petr Urbánek is one of the lecturers of the Development module taught at the Faculty of Architecture at the Czech Technical University in Prague. In the academic year 2023/24, students of the Faculty of Architecture of the Czech Technical University had PDS location solutions as themes for their coursework theses.

www.fa.cvut.cz

PRAGUE DEVELOPMENT COMPANY is a partner of the MBA Real Estate (MBARE) course offered by the University of Economics and Business, which is accredited by RICS, the international professional body for commercial properties and their valuation. In the years 2021 to 2024, PDS was an expert guarantor and consultant for the Development Projects subject, in which MBARE students examined selected areas owned by the Prague City Hall with regard to their suitability for municipal construction. In 2024, MBA students completed a course that examined the possible transformation of the Pentagon site at Palmovka, Prague 8. They successfully completed their MBARE studies by presenting their proposed development projects for the area.

In the academic year of 2024/2025, the cooperation with already a seventh run of the MBARE course continues with the supervision of the final theses of its students by PDS experts and selection of the site for the Development Project subject by PDS again.

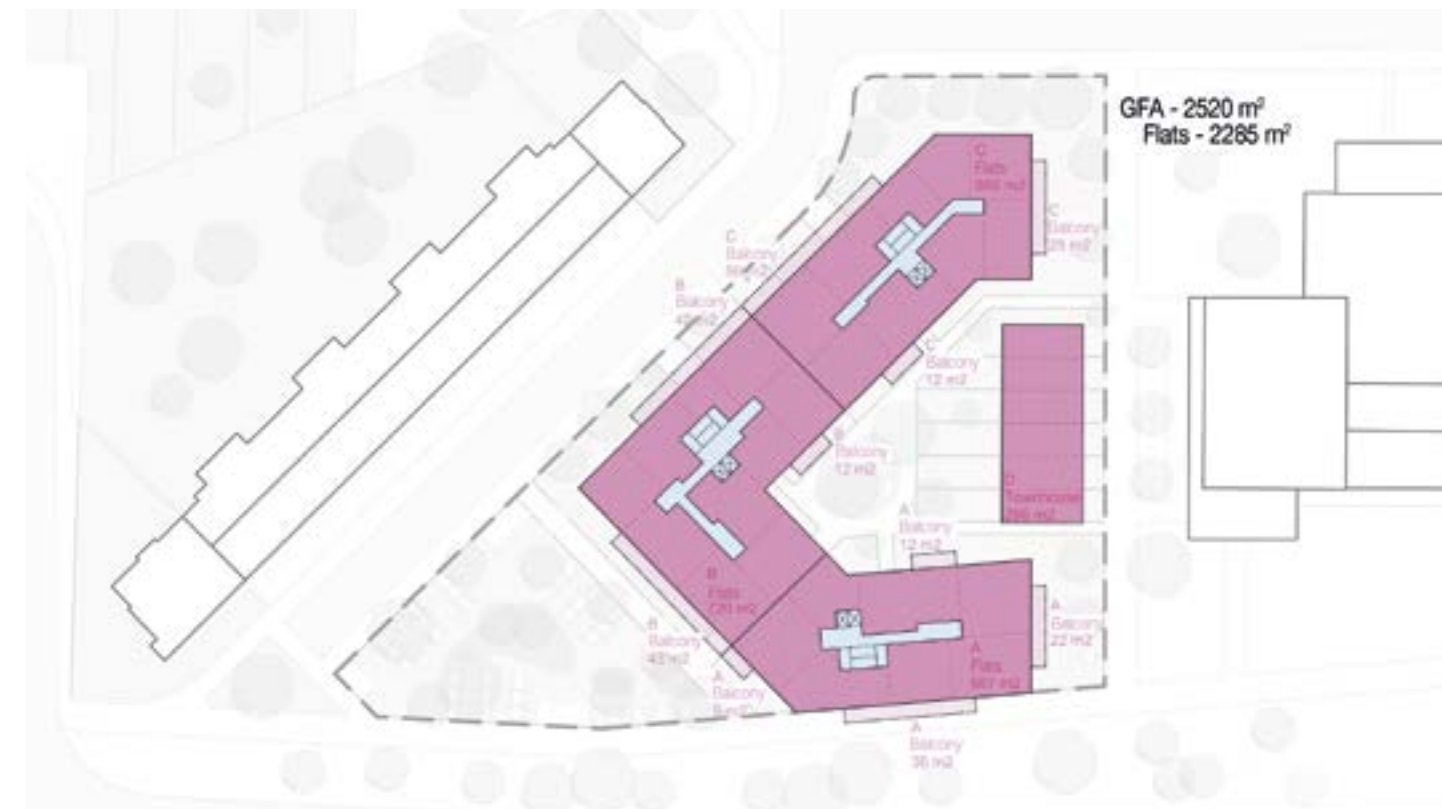
www.mbare.cz

In the academic year 2024/2025, Petr Urbánek, PDS Managing Director, lectured in the Lifelong Learning Program in Real Estate Development at the Faculty of Architecture of the Czech Technical University in Prague, where PDS is also partner to the course. The Lifelong Learning Program is part of the activities of the Masaryk Institute of Higher Studies (MIHS) of the Czech Technical University.

www.developmentnemovitosti.cz



A lecture as part of the Lifelong Learning Program of the MIHS, Czech Technical University



A student thesis for the Lifelong Learning Program of MIHS, Czech Technical University – DEV Garden Estate Davidkova

Active participation in professional conferences, seminars, and exhibitions

In 2024 PDS representatives participated in a number of professional conferences, seminars and meetings where they presented the PDS approach to project preparation and specific examples of project and development preparation. The City of Prague participated in the international real estate trade shows MIPIM 2024 and Expo Real 2024, and PDS projects played a key role in presentations.

- Sustainable Buildings Conference**, annual conference of the Czech Green Building Council, March 2024
- Presentation of PDS activities to foreign developers**, professional seminar of Colliers real estate consultancy, May 2024
- Development preparation of the Vltava Philharmonic Hall**, lecture for MBARE students at the University of Economics and Business in Prague, June 2024
- Housing 24**, expert workshop on the transformation of the Žižka Barracks brownfield in České Budějovice into a complex with affordable housing, July 2024
- Big changes in Prague – The City Builds Flats**, expert discussion at CAMPUS, September 2024
- Affordable Housing Summit**, conference on the theme of national and municipal policy concerning housing affordability, September 2024
- Wiener Wohnen**, presentation of the Vienna model of affordable urban rental housing at RICS, September 2024
- Presentation of PDS activities to Belgian architects**, professional seminar at PDS, September 2024
- Expo Real 2024 trade show**, presentation of PDS projects as part of the City of Prague's presentation, October 2024
- Cities of the Future2024**, professional conference with a panel on affordable municipal housing, October 2024
- Real Estate Autumn 2024**, professional conference with a panel on rental housing, November 2024



Presentation of the project to the public – Dolní Počernice



Wiener Wohnen, presentation of the Vienna model of affordable municipal rental housing, September 2024



PDS – meeting with journalists

2025 outlook

In 2025, preparation of projects for which project work contractors have been selected will continue. For the first projects where building permit applications have been filed, the permits are expected to be granted in 2025. From this point of view, the process of further project preparation for subsequent implementation will need to be defined in 2025 in cooperation with the City of Prague. In 2025, intensive work will continue on coordination and preparation of large development sites – especially

in Nové Dvory, Palmovka and Dolní Počernice localities, eventually allowed after the zoning plan changes approved in 2024.

In the third quarter of 2025, the periodic annual update of the market appraisal of the portfolio of land handed over to PDS for management will be prepared and submitted.



The Palmovka project model was developed at the Institute of Building Science under the leadership of prof. Ing. arch. Michal Kohout

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3. Case study

Investment and development preparation of the Nové Dvory site in Prague 4

The development project of the Nové Dvory site, which is under preparation by the Prague Development Company (PDS), is one of the most significant and comprehensive urban developments in the City of Prague. From the beginning, it has focused on the efficient use of urban land in connection with the construction of the new D-line metro station. The preparation included several phases, during which property analyses, zoning plan changes, and acquisition of key properties and coordination with other organisational units of the City of Prague were addressed.

2019 – Land selection and initiation steps

The first phase of the project, focusing on the analysis and selection of suitable land in the Nové Dvory site, commenced in 2019. The main objective was to determine the extent of ownership and to assess the potential of the area in terms of urban development, with the planned extension

of Metro line D being a crucial aspect. At the same time, the first steps to increase the potential of the urban land were initiated, in the context of which the future managers of PDS submitted a suggestion for a zoning plan change in cooperation with the Institute of Planning and Development (IPR).

In addition, the first research and analyses were carried out concerning infrastructure and the technical and administrative limit settings for the site. These steps were necessary for the next preparation stages. Based on stakeholder con-

sensus, the land at Nové Dvory was included in the core of the future PDS real estate portfolio, and a property relationship analysis was initiated.



A sketch of land use in the Nové Dvory site, KMK IPR, 2019

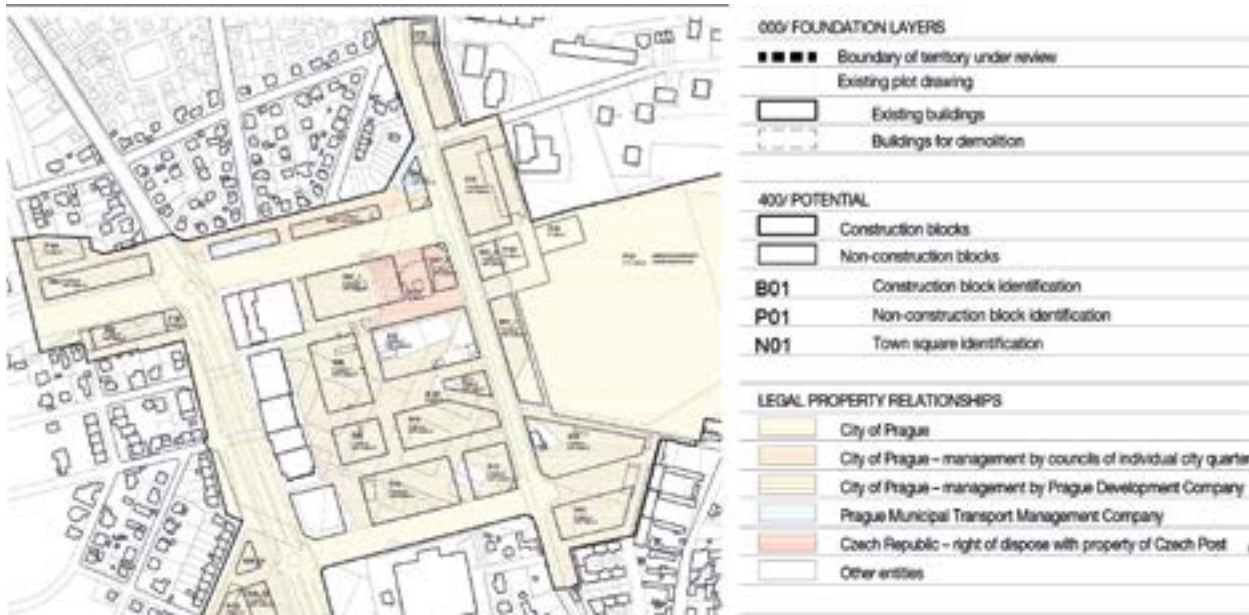


One of the historic urban planning concepts of the Nové Dvory area (ca. 2005)

2020 – PDS establishment and first key acquisitions

The year 2020 was crucial for the institutional framework of the project. In May 2020, after the official establishment of PDS, the land plots available in the Nové Dvory site were transferred under its management. The first important step was the start of work on the background study for the zoning plan change, which included consultations with experts and other city departments. At the same time, the first analyses and consultations regarding the project to be built above the metro station

were commenced, leading also to some modifications of the project documentation for the Nové Dvory metro station itself. The aim was to ensure the possibility of efficient urban development above the future metro station. Another important step was the start of the process of buying the post office building from the Czech Post, which was to bring a fundamental unification of the real estate assets of the City of Prague in this area and later, the most effective coordination of the development of the entire area.



Map of legal property relationships – situation in 2020 with Czech Post property owned by the State



2021 – Investment project commencement and zoning study preparation

The year 2021 marked an important milestone in the launch of investment projects in the Nové Dvory site. A total of 12 separate investment projects were defined, including the Jalový Dvůr project, which is located on land that does not require any zoning plan change. This made it possible to proceed immediately to the preparation of

the project documentation. In June 2021, the PDS Expert Committee for Investment approved further progress of the Jalový Dvůr project, which was subsequently approved by the Prague City Council in September 2021 for the investment preparation to be continued.



Diagram showing a breakdown of investment actions in the Nové Dvory site

The Department of Urban Development of the City of Prague selected the author of the zoning study for the Nové Dvory site, the preparation of which included consultations concerning property relations and coordination with other city departments, especially with regard to transport

infrastructure modifications. During 2021, temporal and technical coordination of a tram line construction to connect Nové Dvory to the city transport infrastructure was also addressed.



HIGHER DENSITY, MIXTURE OF FUNCTIONS	
HOUSING	
Gross floor area =	155,000 m ²
RETAIL	
Gross floor area =	38,500 m ²
ADMINISTRATION	
Gross floor area =	63,700 m ²
CULTURE	
Gross floor area =	2,000 m ²
EDUCATION	
Gross floor area =	10,800 m ²
SPORTS	
Gross floor area =	18,500 m ²
PARK	
Gross floor area =	17,000 m ²

Nové Dvory zoning study and proposed capacities

2022 – Finalisation of zoning study and commencement of cooperation with the Czech Technical University

In 2022, the Nové Dvory zoning study was finalized and thus the basic framework for further preparation of the area was defined. Based on this study, further analyses and studies

were prepared with a focus on defining the potential of the area in terms of retail, services, accessibility, and function mix optimisation.



The Nové Dvory project model was developed at the Institute of Building Science under the leadership of prof. Ing. arch. Michal Kohout

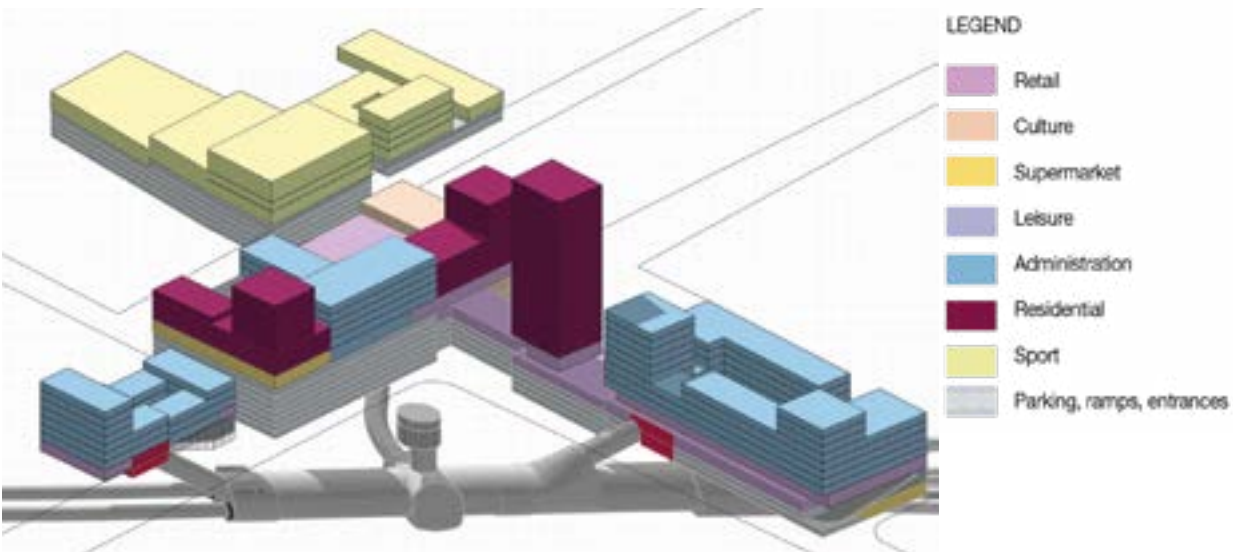
In autumn 2022, cooperation with the Faculty of Architecture of the Czech Technical University was initiated, based on which a 3D model of the area was created to serve as a visual basis demonstrating the potential of the area. This step was important for communication with the public and

presentation of the project. At the same time, the author of the design documentation for the Jalový Dvůr housing project was selected. At the end of 2022, the administrative process of the Czech Post building acquisition was completed.

2023 – Coordination with the Prague Public Transport Company and finalisation of key acquisitions

At the beginning of 2023, the ownership of the Czech Post building was finally transferred onto the City of Prague as a crucial step towards the unification of property relations in the locality. In cooperation with the Faculty of Architecture of the Czech Technical University, a 3D model of the area was introduced to serve as an important basis for the next

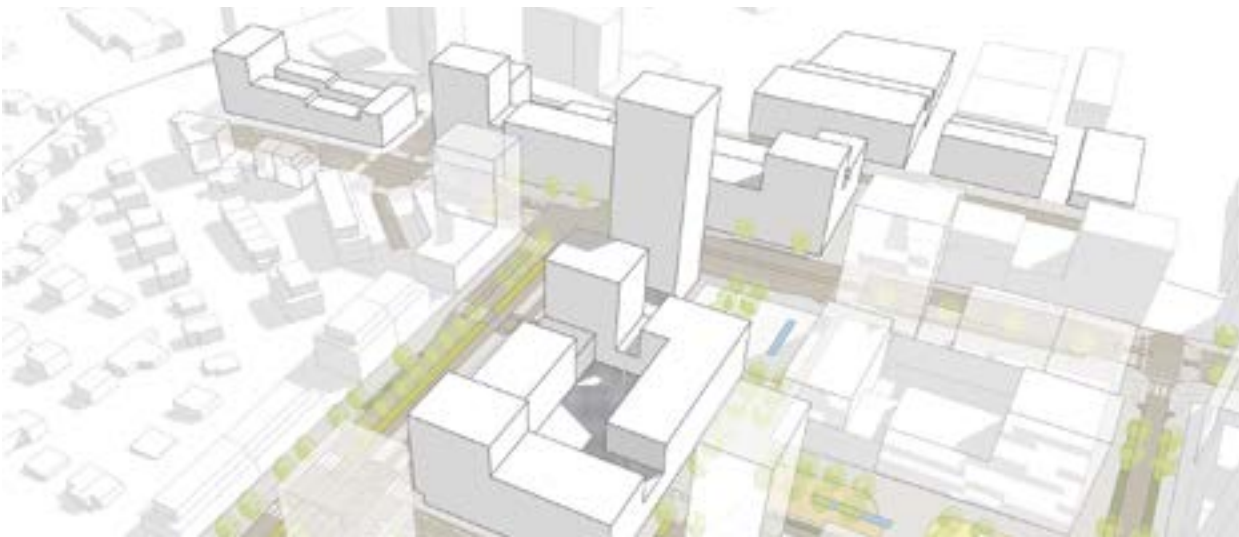
phases of the project. At the same time, PDS prepared a detailed specification for what was called PROJECT 1 and comprised a proposal for the construction of a multifunctional building directly above the future Nové Dvory metro station.



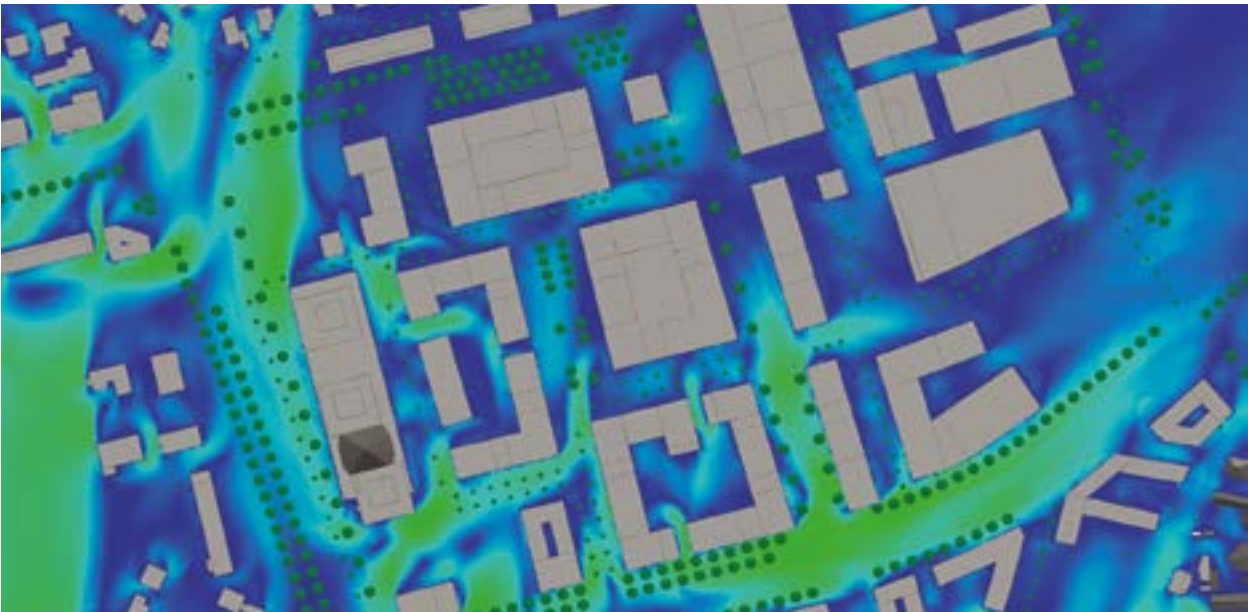
Urban and material verification of selected parts of the Nové Dvory study, PDS, UNIT architects

At the same time, intensive coordination discussions were held with the Prague Public Transit Company, which included modifications to the design documentation of the metro station to enable future urban development

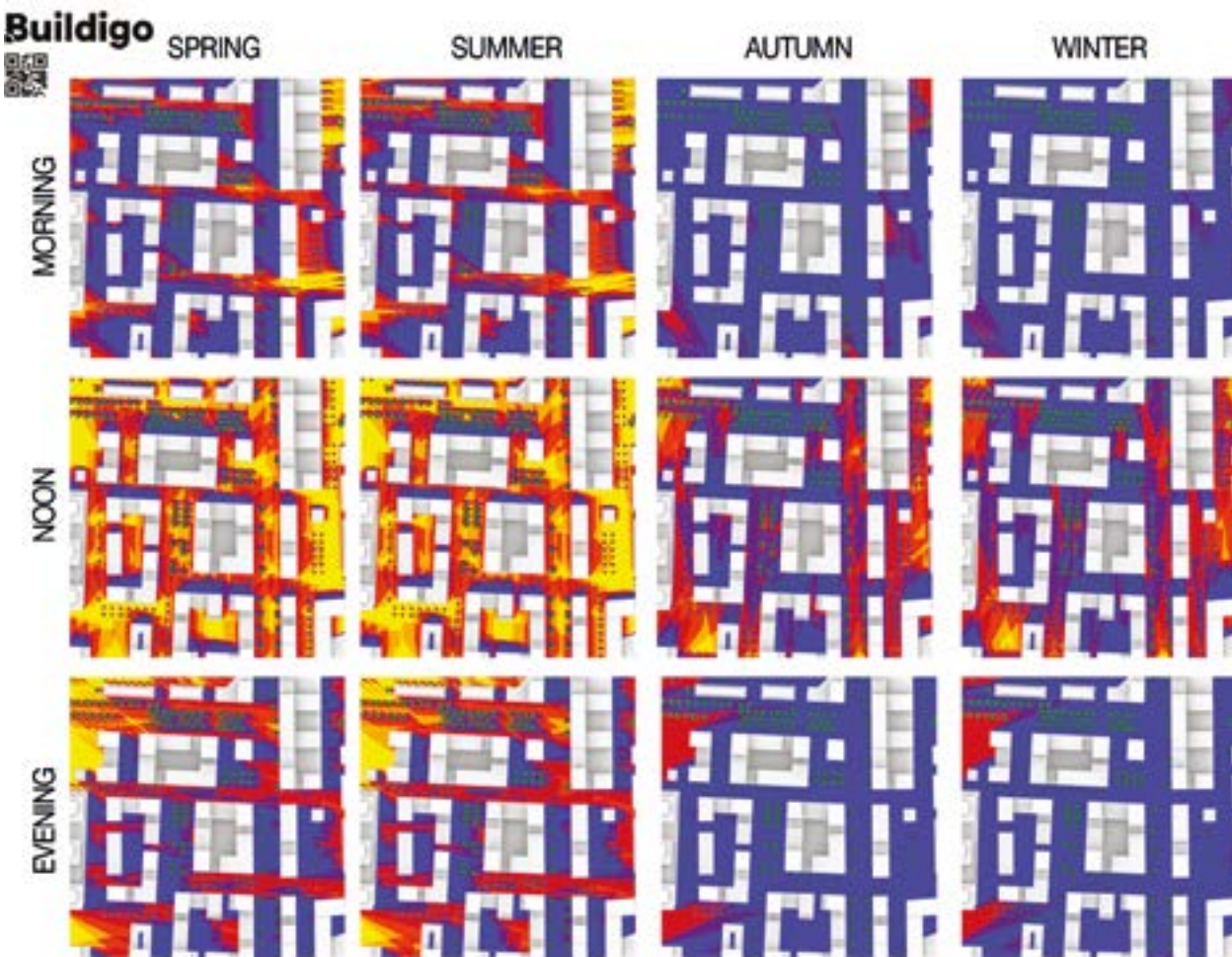
in the area. In 2023, a key change in the zoning plan of the locality was presented to the public, and an environmental study including CFD and sunlight modelling was worked out.



Nové Dvory zoning study, Department of Urban Development, UNIT architects



Overall view of the Nové Dvory site showing wind speed at the 1.5m level, ©Buildigo 2023



Schematic of sunlight in public spaces in the morning, noon, and evening, ©Buildigo 2023



Basic division of site areas, © Vodohospodářský rozvoj a výstavba a.s. 2023



Total amount of solar radiation – intersection of Chýnovská and Libušská streets, © Buildigo 2023

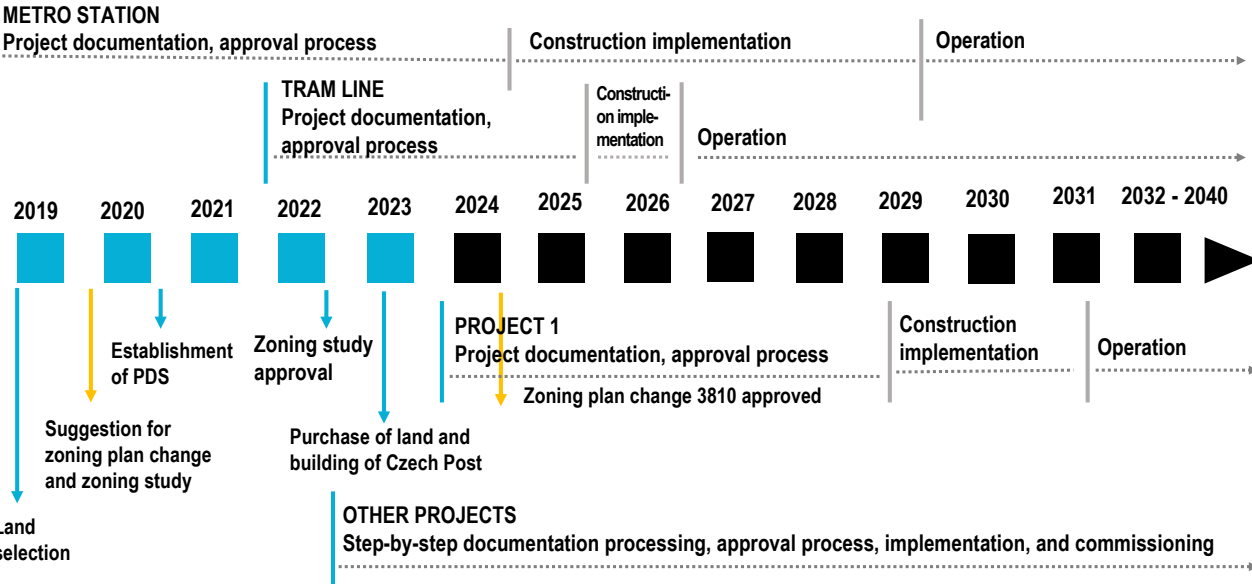
2024 – Zoning Plan change approval and preparation for project implementation

In 2024, the design documentation for the Jalový Dvůr housing project was completed and submitted to the Building Office for Prague 4 City Quarter in June. At the same time, the Prague City Council finally approved the zoning plan change, after which the project preparation could continue in compliance with the zoning study. The approved change in the zoning plan resulted in a significant

increase in the market value of the local urban land by approximately CZK 3 billion. The Prague City Council officially ordered the Prague Public Transit Company to modify the design documentation of the metro station to enable the construction of a multifunctional building above its underground area, which represented another key step towards the implementation of PROJECT 1.

Nové Dvory

SITE DEVELOPMENT SCHEDULE

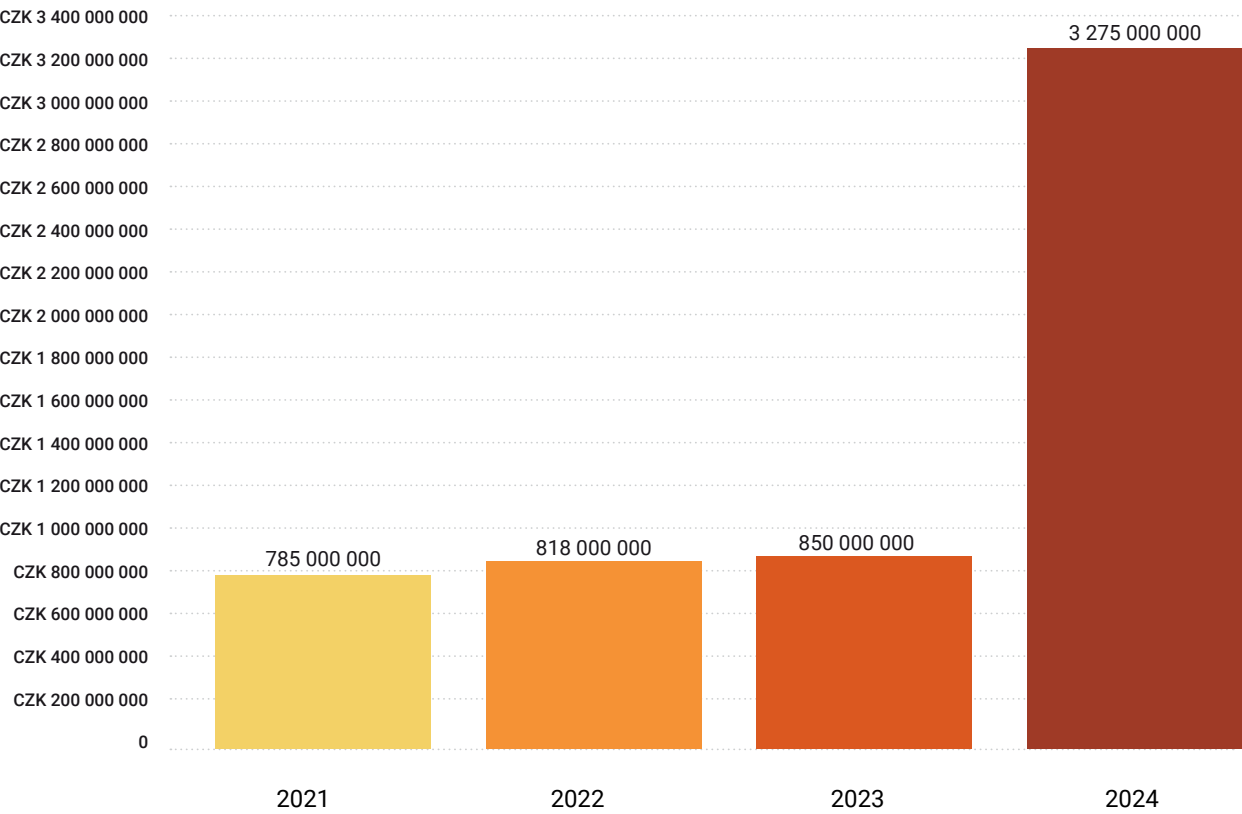


Conclusion

The preparation of the Nové Dvory site is an example of a systematic and careful approach to urban development. PDS, in close cooperation with city departments, experts, and the academic sphere, ensured effective preparation of the site for future development, including

housing construction, commercial space, and key transport, technical, and social infrastructures. This project is an example of how strategic planning and coordination can significantly increase the value of urban land and contribute to high-standard urban development.

Development of market values of land in the Nové Dvory site between 2021 and 2024



Coordinated activities of the self-governing departments of the City of Prague, the city management, the zoning development section, and other departments including IPR Prague and consistent ongoing coordination activities of the PDS resulted in successful agreement on the Nové Dvory zoning study and, in 2024, in the approval of the aforementioned zoning plan change. This increased the current market value of the land in Nové Dvory owned by the City of Prague by nearly CZK 2.5 billion in the period between 2021 and 2024 .

At the same time, this opened up further economic potential at the level of almost CZK 20 billion, assuming step-by-step completion of the entire Nové Dvory site within the horizon of 10–15 years. At present, it is particularly crucial to work in close coordination with the Prague Public Transit Company to ensure effective coordination of the construction of the Nové Dvory metro station on metro line D and of the new tram line with the upcoming urban development.

Nové Dvory location – current state, drone view



4. PDS project overview

Key locations

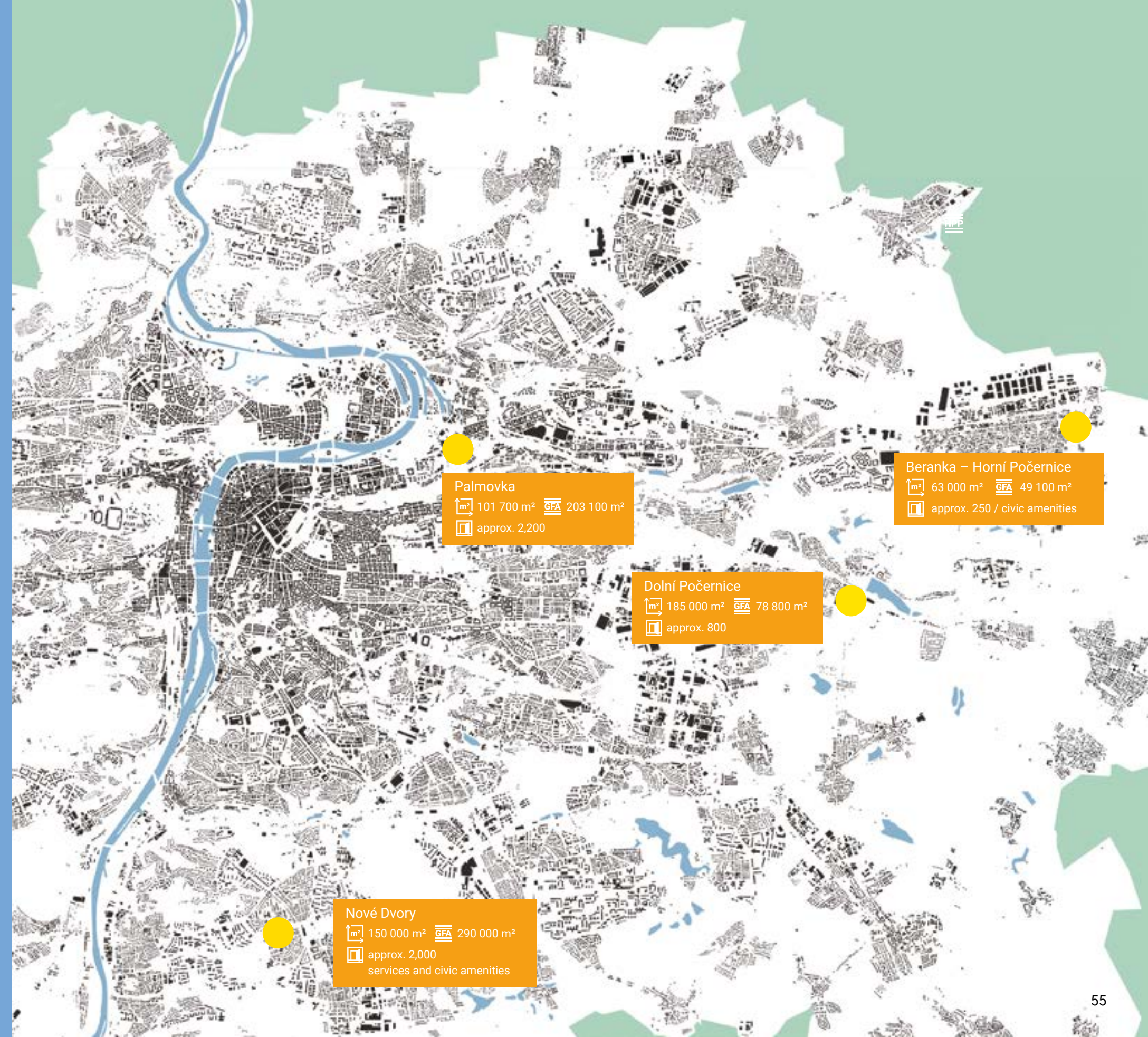
LEGEND:

● Land for housing projects

↗
m² land areas

≡
GFA gross floor area (GFA)

▢ number of flats



Nové Dvory, Prague 4 and Prague 12

Residential district near a new metro station

The Nové Dvory transformation area, with an area of about 30 hectares, is one of the City of Prague’s largest continuous property holdings. In the vicinity of the new metro station, which is expected to be completed around 2029, Prague will build a municipal district with affordable rental housing and complete civic amenities in the form of a kindergarten and primary school, a cultural centre, space for shops and services, public transport lines, and facilities for sports and recreation. By connecting the Jalodvorská louka park with new squares, a generous public space intended for recreation will be created. The new district is expected to provide homes for up to 5,000 people and job opportunities for approximately 5,000 more.

Nové Dvory zoning study

Studio Unit architects has prepared a zoning study of the entire transformation area for the Department of Urban Development of Prague City Hall, which was discussed with representatives of the Prague 4 and 12 municipal districts. It was presented to the public as part of the participation process and approved in September 2022. It represents a societal agreement on the development of the area and is the basic conceptual starting point for the preparation of the development of the entire site and its individual projects. The study follows the principles of sustainable development and compact city of short distances including sufficient space for rest and recreation.

In parallel with the study, a change to the zoning plan was discussed and finally approved by the Prague City Council in May 2024, which opened up the potential for the preparation of a comprehensive urban development process with simultaneous high added value of the city-owned real estate assets. From the year 2025 on, PDS will focus on intensive preparation of the development projects in this area in accordance with the approved study and their coordination, especially with the city’s investments in transport, i.e. the construction of the Nové Dvory D-line metro station and the construction of the extension of the Libuš – Nové Dvory tram line.

Four pillars of sustainable municipal development

Social

Diverse groups of citizens, regardless of age or socioeconomic status, will live in Nové Dvory. The intention of the City of Prague is to build quality affordable rental housing which will be intended primarily for so-called preferred professions (teachers, health care workers, police officers), single parent families, and for independently living seniors.

Economic

In the central part of Nové Dvory, especially near the future metro station and to a lesser extent also on the new squares, the construction of administrative and retail space is planned. Revenue from the new municipal properties will significantly support the economic return on public investment in the area.

Environmental

The intensive use of the site, which is directly connected to various modes of public transportation with sufficient public services, including education, is a key parameter for the sustainability and efficacy of the development of this new part of the city.

At the same time, a generous public space will be formed in Nové Dvory, consisting of several squares, some of which will be connected with the Jalodvorská louka park. The development of a so-called blue-green infrastructure is planned for the area, including rainwater catchment that soaks into the soil and is not drained away by sewers, as well as the cultivation of the Jalodvorská louka park and the creation of new green areas. The city will support utilization of public transport to the area by building a metro station and extending the tram line from Modřany.

Cultural and educational

The Nové Dvory design also includes a number of cultural and leisure-time facilities, whether they are a nursery school, a primary school or probably also secondary schools, a cultural centre, a sports hall and an outdoor sports ground. The restaurants and cafés that will be opened in the commercial parts of the project will also be of considerable importance. Current and future residents will no longer have to frequently commute to other parts of Prague 4 (to Pankrác, for example) or directly to the city centre.



Nové Dvory spatial model

In the academic year 2022/2023, the Prague Development Company, in cooperation with the Faculty of Architecture of the Czech Technical University in Prague, supported the creation of a large-scale spatial model of Nové Dvory with dimensions of 3 x 3 m. The model was exhibited in the foyer of the Faculty of Architecture of the Czech Technical University in Prague Dejvice from 23 February to 16 March 2023 with access of both the professional and general public.

The physical model of the Nové Dvory site is based on the regulatory parameters of the zoning study and serves as good illustration of the potential for future development that has opened up in this location thanks to the coordinated activities of the City of Prague and the PDS company. The physical model is now exhibited in the PDS headquarters in the Radniční domy building in the centre of Prague and can be visited by appointment.

The Nové Dvory model was created in the Department of Building Theory, Faculty of Architecture, Czech Technical University in Prague under the leadership of prof. Ing. arch. Michal Kohout



First projects

On 15 hectares, investment and project preparation is beginning on a total of almost 300,000 m GFA (gross floor area, the total potential after approval of the pending zoning plan amendments), especially for municipal housing. At the same time, a significant part of this area (about 130,000 m² according to the current estimate) will be used for administration, restaurants, cafés, retail and services, a kindergarten and primary school, a cultural or community centre, and sports facilities. The preparation of the new district is taking place in parallel with the construction of a new metro station with an extension of the tram line from Modřany, which will end at the metro. The site is divided into individual projects and investment actions that will be implemented gradually over a period of 10–15 years.

The first major project, with its detailed parameters and specifications approved by the Prague City Council in 2024, is PROJECT 1a/1b. The project includes multifunctional buildings connected to the northern and southern vestibules of the future Nové Dvory D-line metro station. These buildings will primarily be used for services, administration, culture, and residential housing and will be provided with a sufficient number of parking spaces, including P+R parking. The implementation of this project will allow a direct connection from the metro exit to the Jalodvorská louka area where the future sports and school complex will be situated. PDS is coordinating the metro station documentation amendments with other entities, in particular with the Prague Public Transit Company, so that both projects can be linked into an integral spatial design. In synergy with the metro station construction, a concept of utilization of geothermal energy from the metro building objects is also under preparation with the aim to cover a significant part of the energy consumption by this project.

Jalový Dvůr housing complex

The Jalový Dvůr housing complex is the furthest along in preparations with around 40 residential units, for which PDS has tested variants on solutions for a building and construction system in terms of the building's life cycle (50 and 80 years). The variants were: 1) brick from sand-lime blocks, 2) brick from ceramic blocks, and 3) wood from solid wood cross-laminated timber (CLT) panels. The following indicators were calculated for each variant: internal rate of return and net present value. At the same time, a SWOT analysis identified the strengths, weaknesses, opportunities, and threats of the design variants. Based on an internal assessment of the above parameters, the most advantageous variants were the lime-sand bricks and CLT panels. The building permit application for the Jalový Dvůr project was filed in June 2024 with the expectation that the building permit would be issued by mid-2025.

Visualisation of the Jalový dvůr project, monom works



Palmovka, Prague 8

A new, vibrant centre on the right bank of the Vltava

Land owned by the City of Prague and the Prague Public Transit Company, located right next to the Palmovka transport hub, represents the largest development area in the wider city centre which the city controls in property terms. PDS is preparing a completely new district with the ambition of it becoming a vibrant centre on the right bank of the Vltava. It will consist of residential and office buildings with restaurants, cafés, shops, and services. Civic amenities will be included as well, comprising a primary school and a cultural centre with a library. Great attention will be paid to high-quality public space. Palmovka is expected to have a central park with a promenade, several smaller squares and a number of courtyards, which will be pleasant places for children and adults thanks to high quality landscape architecture.

Urban planning study of Palmovka

For the key part of the Palmovka development site, the so-called “Pentagon”, the Prague 8 municipality initiated the creation of an urban planning study based on the agreement of all cooperating partners (Prague City Hall, the Prague 8 municipal district, the Prague Institute of Planning and Development, and PDS), which captures the consensus of these partners on the urban concept for the area and which forms the basis of the ongoing changes to the zoning plan. The urban planning study prepared by UNIT architects respects the existing values of the site, incorporates residential and office buildings into it, and creates an attractive public space between them. The study is based on the principles of sustainable development and a compact city with a sufficient amount of well-designed green spaces and parks. In parallel with the study, a change to the zoning plan was discussed and finally approved by the Prague City Council in June 2024, which opened up the potential for the preparation of a comprehensive urban development process with simultaneous high added value of the city-owned real estate assets. If the consolidation of all the land into the hands of the City of Prague is successfully accomplished, PDS can start intensive development preparation of the entire area in 2025 in accordance with the study and regulatory parameters set by the zoning plan.

Palmovka – Zenklova, MS Architekti



Palmovka spatial model

A physical model of Palmovka is also based on the aforementioned urban planning study and illustrates the possibilities of the concept of development of the new municipal district. It emerged from collaboration between PDS and architecture students of the Czech Technical University in Prague on the urban and architectural design of Palmovka in the 2021-2022 academic year. A total of 45 students from three studios at the Faculty of Architecture at the Czech Technical University in Prague (Kohout-Tichý, Juha-Tuček and Stempel-Beneš) created a 2 x 3 metre physical model of Palmovka in one semester which contains 60 various buildings in 12 blocks. Upon completion, the model was successfully presented at the prestigious MIPIM 2022 real estate trade show in Cannes, France, where it was positively received. It was then brought to the PDS headquarters in the Radniční domy building in the centre of Prague, and can be visited by appointment.

First projects at Palmovka

On 8 hectares of municipal land, 2,200 municipal flats and around 40,000–50,000 m² of space are being prepared which can be used for offices, retail (restaurants, cafés, small shops and services) and other non-commercial purposes (especially a primary school, cultural or community centres, library, and children’s leisure activities). Implementation will take place in stages over a period of 5–15 years (until 2035). In addition to preparing the development of the entire “Pentagon” area, a smaller project of the Palmovka – Zenklova residential building is under preparation with MS Architekti architectural studio selected by PDS as the designer.

The Palmovka project model was developed at the Institute of Building Science under the leadership of prof. Ing. arch. Michal Kohout



Palmovka
↑m² 101 700 m² GFA 203 100 m²
↑approx. 2,200

Dolní Počernice

A new district in the style of a 21st century garden city

With a total area of 18.5 hectares, the land in Dolní Počernice is one of the largest contiguous areas owned by the city where it is possible to build affordable municipal rental housing. Thanks to a suburban railway and its proximity to the nearby city ring road, the area is well connected to the centre and offers plenty of opportunities for recreation and various leisure activities. In Dolní Počernice, a district conceived of as a garden city is being prepared according to the principles of sustainable development. Within a 10- to 12-year horizon, 800 residential units will be built in single-family homes, terraced houses, and low-rise residential buildings with common gardens and courtyards that tie in sensitively to the surrounding residential development. The project will also include smaller commercial spaces for retail shops, spaces for small services or medical offices, public spaces with ornamental greenery, and sports facilities for children and adults. In the next stages, a primary school – to which a significant area is designated under the master plan – will be part of the zoning plan.

Given that housing construction is in accordance with the zoning plan, PDS has divided the land entrusted to it into four project parts which should be implemented in phases from 2026 to 2035:

- Dolní Počernice – Project 1 includes the construction of approximately 250 flats (approved by the Prague City Council in 2021)
- Dolní Počernice – Project 2 includes the construction of approximately 550 flats (approved by the Prague City Council in 2022)
- Dolní Počernice – Infrastructure (all networks, sewerage, waste, transport connection approved by the Prague City Council in 2022).
- Dolní Počernice – School. Part of the territory also includes a large area designated by the zoning plan as public amenities, and given the scale of the project and other projects in the area – including private ones – it seems necessary to also prepare the construction of a primary school.

For the first stage of the site development (Dolní Počernice Project 1) the design contractor has been selected and project preparation has started, and an application for a planning permit was submitted to the competent building authority in June 2024. In the case of optimum timing of the building permit process, the building permit issue can be expected in 2026. For the second stage, Dolní Počernice Project 2, the contract for design work will be concluded in early 2025 and the joint planning and building permit is expected to be issued by the end of 2026. In 2025, the designer for the public amenity – school project preparation will also be selected, and the project designing process will be commenced.

Dolní Počernice, LOXIA



Dolní Počernice, Prague 14
185 000 m² GFA 78 800 m²
approx. 800



Dolní Počernice, LOXIA

European project for climate-neutral and energy-positive municipal districts

With the project for a new district in Dolní Počernice, Prague has joined the EU ASCEND project, which aims to build energy-positive and emission-neutral districts. A working group was created with representatives of PDS, the University Centre for Energy Efficient Buildings at the Czech Technical University, and OICT, which will jointly prepare a concept for energy-environmental solutions for the new district project in Dolní Počernice, which is being presented as part of European cooperation. The municipal rental buildings there are being prepared with passive standards with an emphasis on internal structures' storage capacity and passive shading of exteriors. The new district will have its own multi-source energy centre and local distribution system. It is expected to use geothermal and solar energy, a cogeneration gas boiler and its own storage tanks.

An energy self-sufficient district

In cooperation with experts in energy and sustainability (such as Ecoten) PDS is preparing energy solutions for individual residential buildings and housing units. These solutions are based on the requirements set by current European and Czech legislation for new construction of residential buildings, which include, among other things, construction using passive standards, limited CO₂ emissions, and careful handling of water and energy. On behalf of PDS, Ecoten reflects these requirements into the brief for designers of municipal affordable housing.

A concept of so-called centralised energy is being prepared for the new urban area of Dolní Počernice. It is assumed that the energy buildings there will be connected to:

- A local distribution system (LDS), enabling the consumption of electricity generated primarily on-site. The LDS will be supplied with its own electricity generated by photovoltaic panels on the roofs of buildings in the gas cogeneration unit.
- The energy centre, whose main source of heat production will be a heat pump supplemented by a cogeneration gas boiler and storage tanks for the purpose of risk diversification.
- In periods of very low electricity prices, the Energy Centre will be supplemented by a powerful electric boiler, providing fast heating of water in storage tanks.
- The construction of all buildings is designed using passive standards with emphasis on the storage capacity of internal structures and passive shading of exteriors based on their position with regard to the cardinal directions.
- The design of buildings and public spaces will take into account throughout the design process period the results of continuous CFD modelling simulating the main flow of wind and other climate data at the site.

Beranka, Prague 20

Expansion of residential construction and civic amenities in Horní Počernice

The municipal land at the Beranka site has an area of 6.3 hectares and is prepared for the construction of around 250 units of municipal affordable rental housing, a primary school for around 540 children, and a sports complex. In 2023, PDS commissioned the preparation of a masterplan for the area which defines the development strategy for the site. PDS will then commence project preparation with the selected design contractor in 2025. The construction of low-rise residential buildings according to the low-rise/high-density urban concept is expected. The flats will be connected to the existing development in Horní Počernice.

Within the framework of this project, the city is significantly accommodating the request of the Prague 20 municipal district to construct a primary school and is proposing it for the originally purely residential Beranka project. Other areas in Horní Počernice designated by the zoning plan for education are mainly owned by private owners, who are not considering using their land for this purpose. Therefore, PDS prepared a material study for the location of a primary school and a nursery with the possibility of accommodating other social services in 2024. Once the parameters and process are agreed with the local council, design work on the primary school project will commence in 2025.

Urban study Beranka, Horní Počernice, Projektil Architekti, s.r.o.



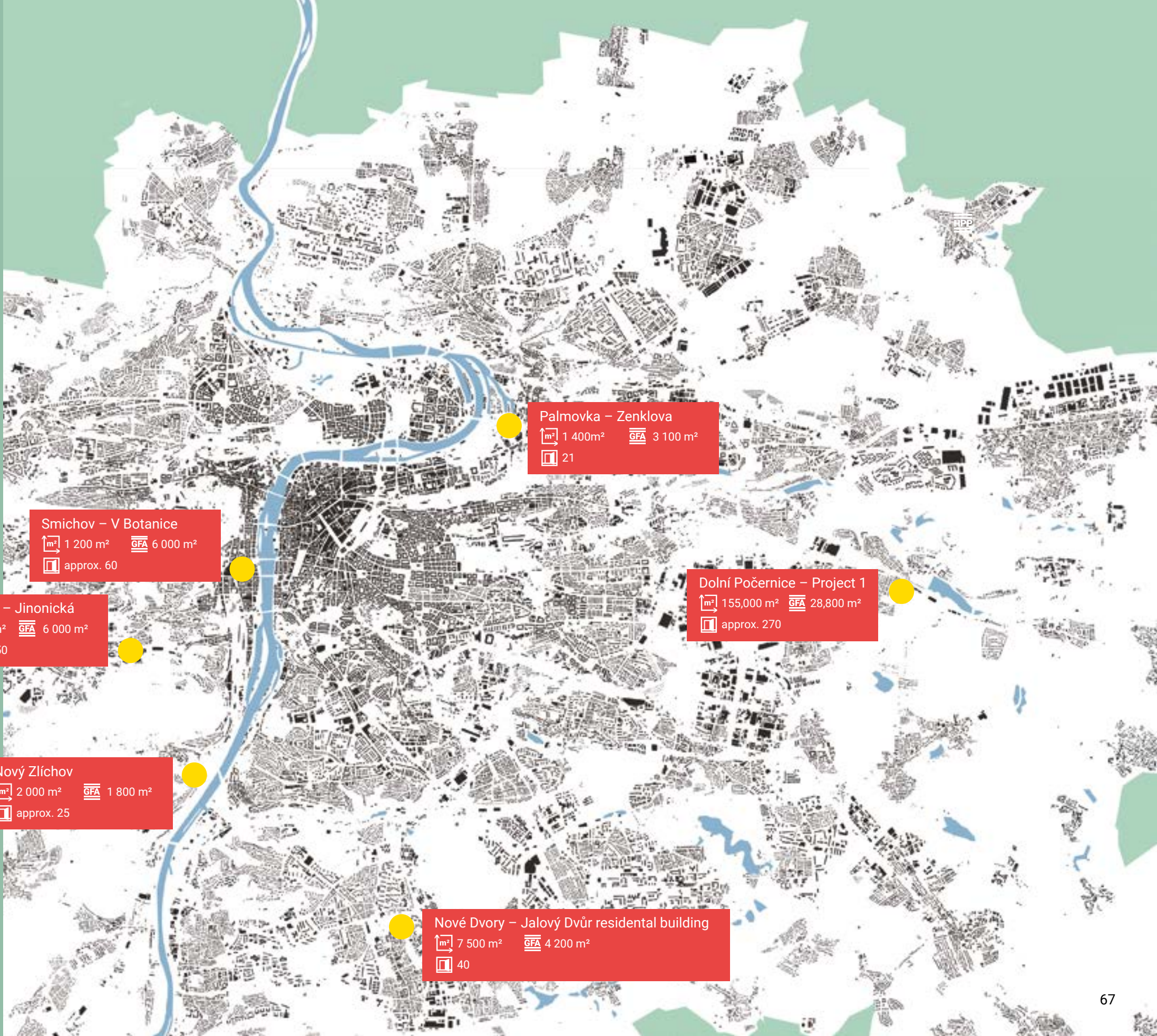
Beranka – Horní Počernice

↑m² 63 000 m² GFA 49 100 m²

approx. 250 / civic amenities

Projects

Projects currently under the building permit process



LEGEND:

Land for housing projects

land areas

gross floor area (GFA)

number of flats

Jalový Dvůr residential building, Prague 4

Jalový Dvůr is the first municipal housing construction project on the Nové Dvory site, where the City of Prague is preparing to build a new district with its own metro stop, municipal housing construction, complete public amenities, and cultivated public space.

The upcoming Jalový Dvůr complex of low-rise residential buildings, located between Libušská and Kunratická streets, will connect to the surrounding Libuše residential development and will combine blocks of flats and terraced houses.

As part of the project, PDS will use environmentally friendly materials that meet circular economy requirements, enable water conservation (by using rainwater), and energy savings (by orienting the building appropriately, installing heat pumps, and the placement of photovoltaic panels). PDS has examined in detail the optimal construction and design solutions for further progress.

In 2024, intensive project preparation took place, and in June 2024 the documentation for the joint planning and building permit was filed with the competent building authority. In the event of optimal progress, gaining the necessary permits is assumed at the beginning of 2025. The project will be implemented following the permitting process with an expected completion date in 2025–2026.

www.pds-jalovydvor.eu

Jalový Dvůr residential building, Prague 4



Jalový Dvůr residential building, Prague 4



Jalový Dvůr residential building

↑

m²

7 500 m²

GFA

4 200 m²

□

40

Smíchov – V Botanice, Prague 5

In 2022, PDS announced the first ever architectural competition for a municipal residential development in Prague. It was for a smaller plot of land in Prague 5, in an attractive location near the Baroque Portheimka villa, not far from the Anděl metro station.

The architectural competition was announced in March 2022, and 30 studios entered the competition from the Czech Republic and abroad. The winner was announced in August 2022: Atelier bod architects from Prague.

In 2023 and 2024, intensive project preparation was underway. In its context, requirements of the conservation authorities for a significant modification of the project had to be addressed. In June 2024, the documentation for the planning permit proceeding was filed with the competent building authority. If the progress of the proceeding is optimally timed, the planning permit may be received by mid-2025, after which the building permit application will be filed. The project will be implemented following the permitting process with an expected completion date in 2025–2026.

The project envisages a total of 56 flats and ground floor retail space. It should be implemented following the progress of the permitting process with an expected start in 2026-2027.

www.pds-vbotanice.eu

Smíchov – V Botanice, Atelier bod architekti



Smíchov – V Botanice, Atelier bod architekti



Peroutkova – Jinonická, Prague 5

On a municipal plot of land of less than 1.9 hectares located in the wider centre of Prague, the construction of a residential building is planned with approximately 50 rental units and spaces for services on the ground floor.

In 2023, PDS selected an architect to prepare the project – Pelčák and Partner Architects. In the second half of 2023, intensive project preparation started, and in June 2024 the documentation for the joint planning and building permit was filed with the competent building authority. In the event of optimal progress, gaining the necessary permits is assumed at the beginning of 2025. The project will be implemented following the permitting process with an expected completion date in 2025–2026.

Peroutkova – Jinonická, Pelčák a partner architekti



Peroutkova – Jinonická, Pelčák a partner architekti



Peroutkova – Jinonická
↑m² 18 900 m² GFA 6 000 m²
□ approx. 50

Nový Zlíchov, Prague 5

A smaller municipal land plot with as area of less than 2,000 m², located in the residential part of the city district of Prague 5, will be used by PDS for the prepared chamber residential building with about 25 municipal rental units.

The land is located on the slope of Děvín hill with beautiful views of the Vltava valley and Kavčí Hory

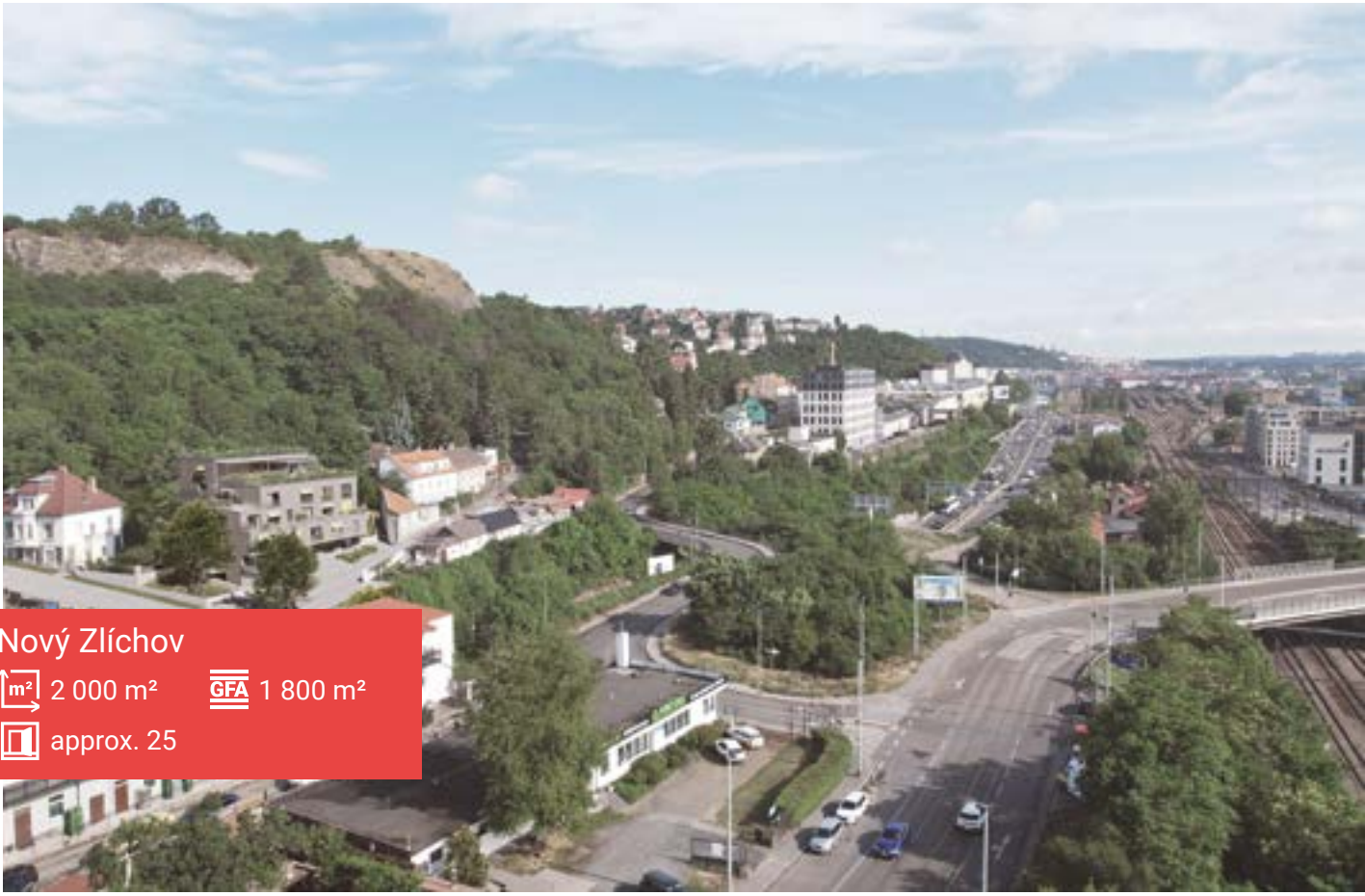
In spring 2022, PDS announced a tender for project preparation which was won by the Kava company. In 2023, intensive project preparation took place, and in June 2024 the documentation for the joint planning and building permit was filed with the competent building authority. In the event of optimal progress, gaining the necessary permits is assumed at the beginning of 2025. The project will be implemented following the permitting process with an expected completion date in 2025-2026.

www.pds-novyzlichov.eu

Nový Zlíchov, Kava



Nový Zlíchov, Kava



Nový Zlíchov
↑
m² 2 000 m² GFA 1 800 m²
□ approx. 25

Palmovka – Zenklova, Prague 8

On City of Prague land in a clearing near the intersection of Zenklova street and the Libeň bridge, PDS is preparing the construction of two multi-functional buildings intended for municipal rental housing with 21 residential units. Non-residential spaces suitable for retail and administrative use are planned on the ground floor and first two floors. One of the buildings will also include an entrance to the new metro station.

In January 2022, PDS announced a tender for the architectural designer for the entire site and project documentation for the first of the buildings. Based on the result of the tender, the company started cooperation with MS Architects. In 2023, intensive project preparation took place, and in June 2024 the documentation for the joint planning and building permit was filed with the competent building authority. In the event of optimal progress, gaining the necessary permits is assumed at the beginning of 2025. The project will be implemented following the permitting process with an expected completion date in 2025–2026.

To achieve the optimum solution for this plot, final approval of a zoning plan change is needed so that both parts of this project can be effectively implemented.

Palmovka – Zenklova, MS Architekti



Palmovka – Zenklova, MS Architekti



Dolní Počernice – Project 1

A new district in the style of a 21st century garden city

With a total area of 18.5 hectares, the land in Dolní Počernice is one of the largest contiguous areas owned by the city where it is possible to build affordable municipal rental housing. Thanks to a suburban railway and its proximity to the nearby city ring road, the area is well connected to the centre and offers plenty of opportunities for recreation and various leisure activities.

In Dolní Počernice, a district conceived of as a garden city is being prepared according to the principles of sustainable development. Within a 10- to 12-year horizon, 800 residential units will be built in single-family homes, terraced houses, and low-rise residential buildings with common gardens and courtyards that tie in sensitively to the surrounding residential development. The project will also include smaller commercial spaces for retail shops, spaces for small services or medical offices, public spaces with ornamental greenery, and sports facilities for children and adults.

Dolní Počernice – Project 1, which is currently under intensive preparation, represents the first stage of development in this area with the construction of approximately 270 flats. In 2023, Loxia was selected as the design contractor, and intensive project preparation and coordination began. In June 2024, the documentation for the planning permit proceeding was filed with the competent building authority. If the progress of the proceeding is optimally timed, the planning permit may be received in mid-2025, after which the building permit application will be filed. The project will be implemented following the permitting process with an expected completion date in 2026–2027.

Dolní Počernice – Project 1, LOXIA



Dolní Počernice – Project 1, LOXIA



Dolní Počernice – Project 1
↑m² 155 000 m² GFA 28 800 m²
approx. 270



Other prepared larger projects and sites

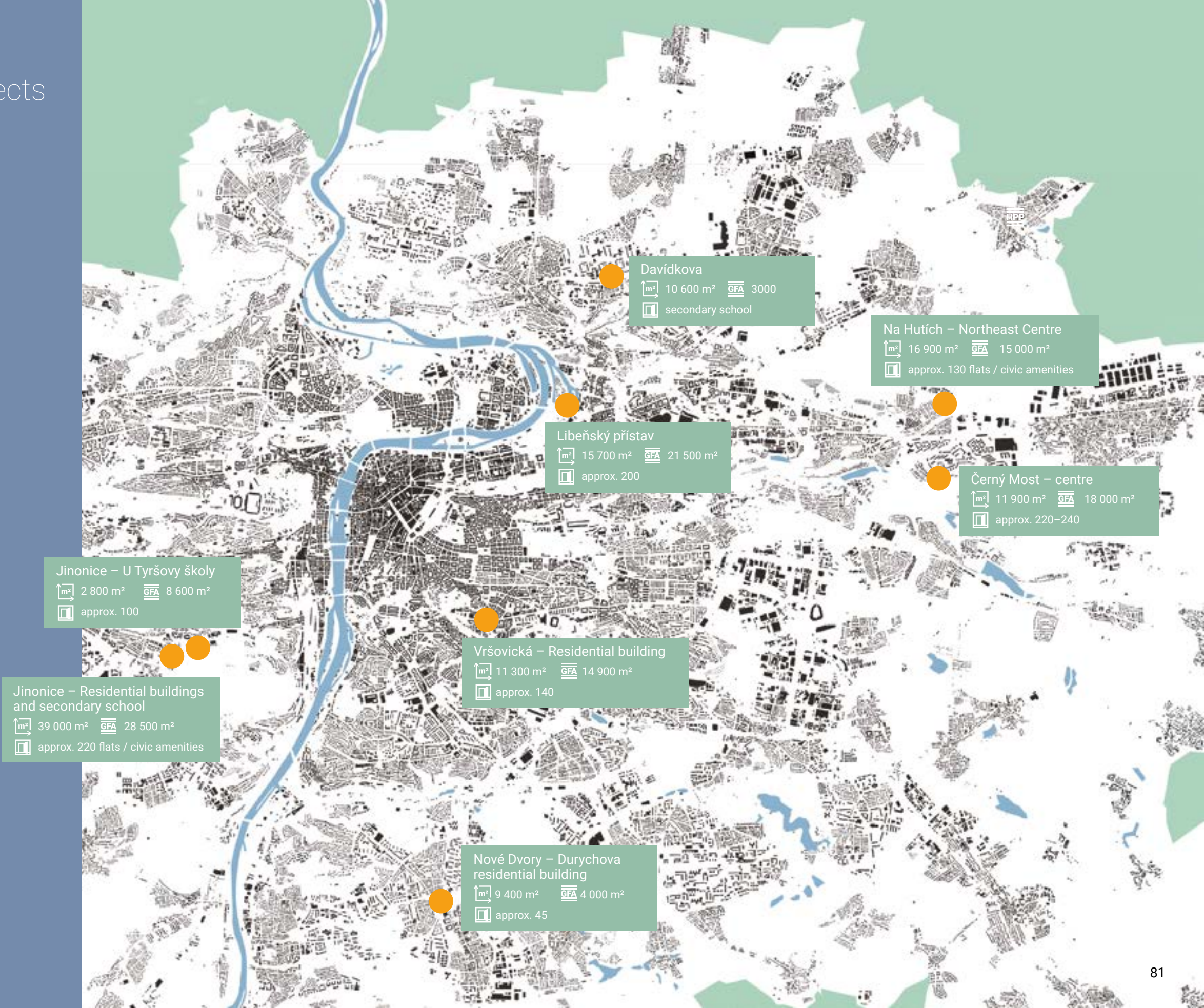
LEGEND:

 Land for housing projects

 land areas

 gross floor area (GFA)

 number of flats



Vršovická – Residential building, Prague 10

Since 2022, PDS has continued to coordinate project preparation between the City of Prague and the Prague 10 municipal district, and announced an architectural competition for the design of the Vršovická residential building, with 140 residential units and retail space on the ground floor. The assignment also included the design of public spaces and the nearby Botič riverbed.

A total of 47 studies from the Czech Republic and abroad were submitted to the architectural competition, and in November 2022 the expert jury selected the winner: the Kuba + Pilař architekti architectural studio.

Further progress has been delayed due to administrative complications associated with the process of transferring the rights to the building permit from the Prague 10 municipal district and Společnosti Praha 10 – Majetková (Prague 10 Assets Company) to the City of Prague. The residential building project should be implemented following the permit procedure, probably between 2026 and 2028.

Vršovice residential building, winning architectural design by Kuba & Pilař Architects



Černý Most, Prague 14

The PDS portfolio also includes municipal land at Černý Most with a total area of less than 30,000 m², intended for Residential housing construction, retail, services and public spaces.

A housing project is currently proposed on the land entrusted to PDS; it still has a valid building permit from 2005. PDS revised the project in 2022 to meet both current requirements on residential housing and the client’s brief for municipal housing construction.

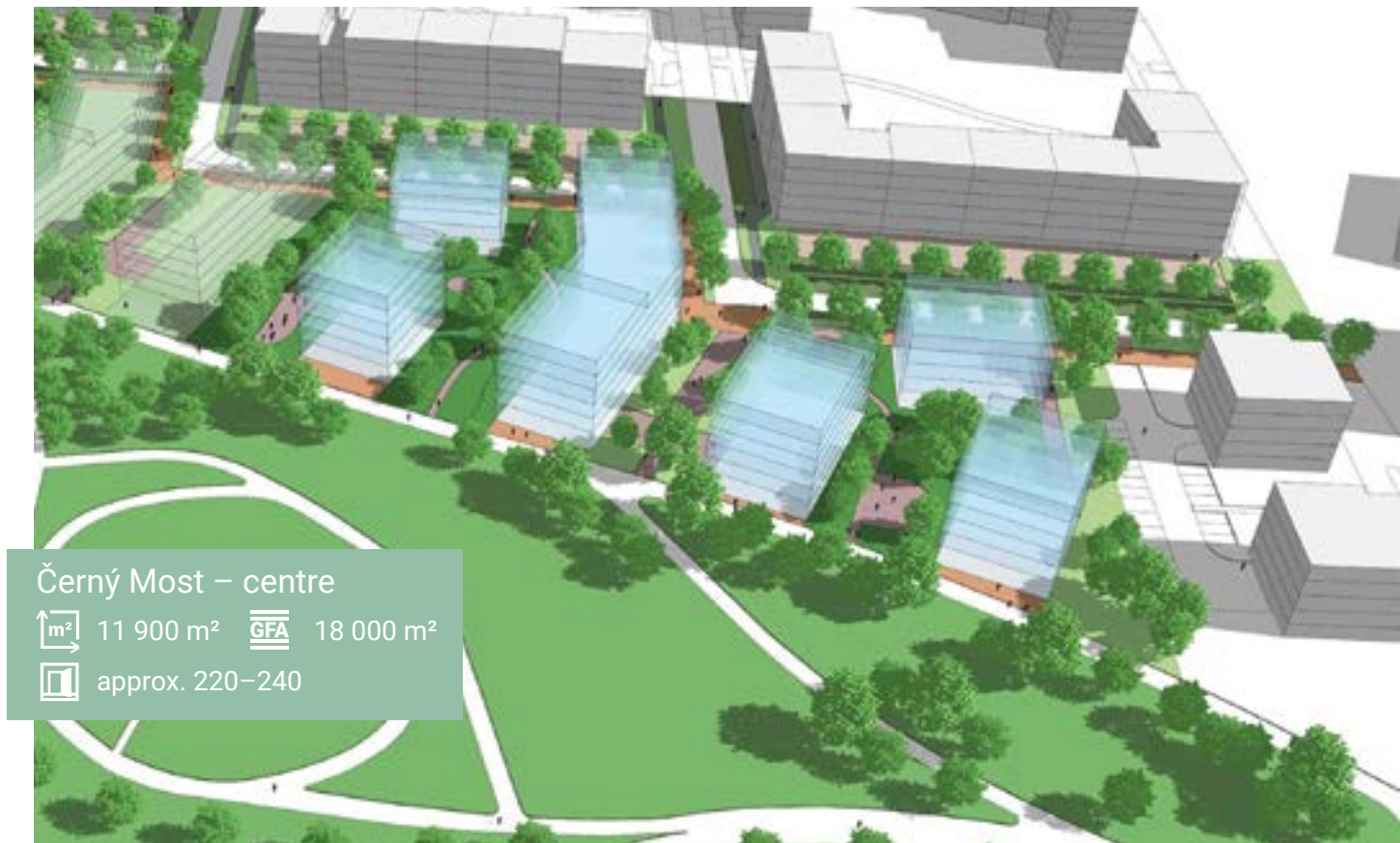
As part of the project preparation, PDS divided the entire area into two parts in which stage 1 includes an area of approximately 18,000 m² of gross floor area on which a housing project can be prepared in accordance with the valid zoning plan with a potential of 220-240 flats including a functional parterre for the location of public amenities and in synergy with the used U Čeňku park.

Stage 2 will cover the remaining approximately 16,000 m² of land where the Metropolitan Plan envisages further residential development with the potential for approximately 250 additional flats.

In 2023, PDS, in cooperation with the City Work architecture studio, prepared a study and urban and architectural designs for the entire location, so that the potential of the area can be fully developed, as the Metropolitan Plan will allow in the longer term.

In 2024, a design contractor was selected to prepare the first stage; this is in accordance with the current zoning plan offering the potential to build approximately 220–240 flats. Design work will commence in 2025.

Černý Most, City Work

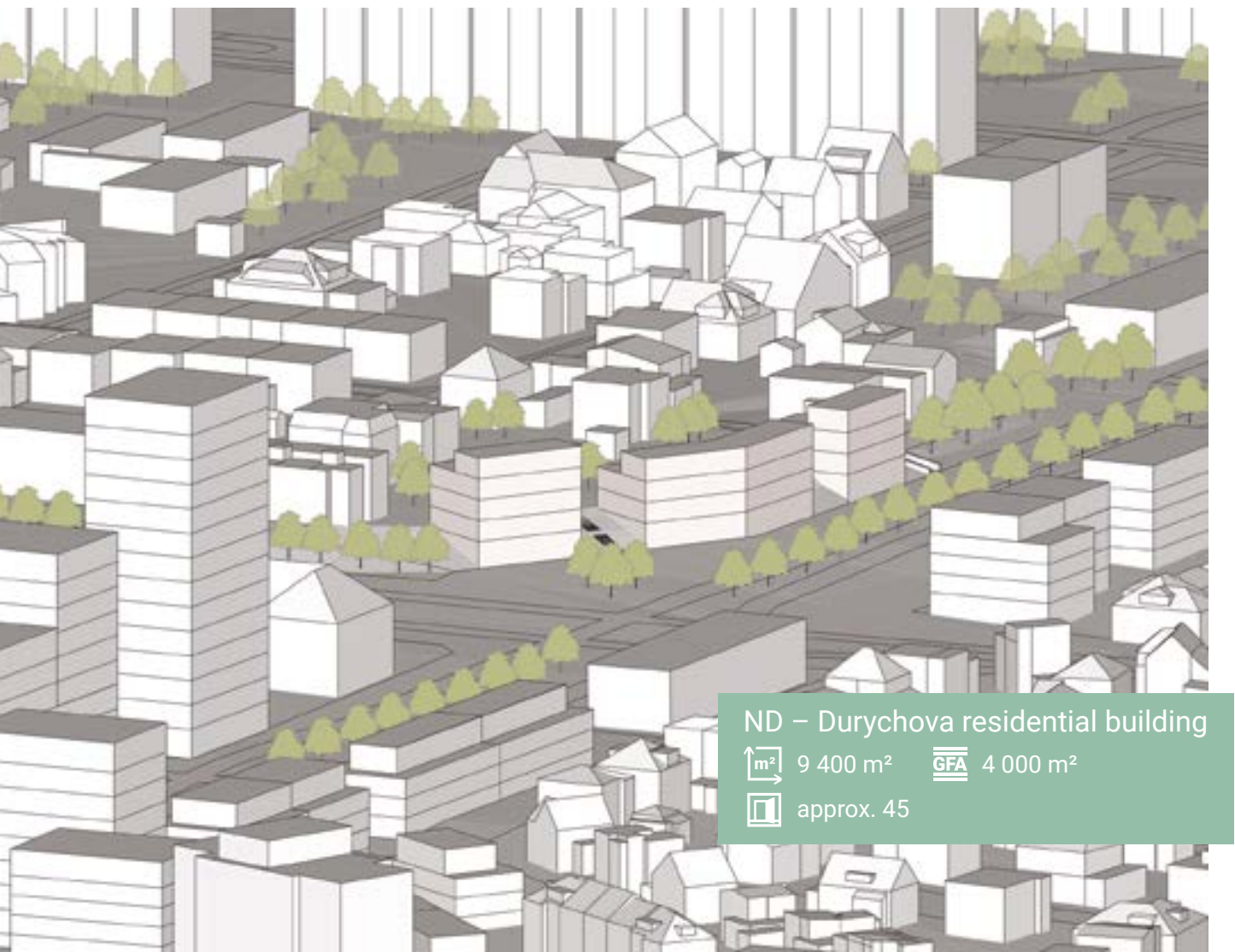


Nové Dvory – Durychova residential building, Prague 4

Nové Dvory is one of the largest Prague development areas where the city owns continuous plots of land suitable for residential construction. The construction of the metro D line is an impulse for the municipal development of the entire area, which will include various residential projects, a nursery and primary school, a centre for shops and services, spaces for leisure/recreational activities, especially sports and cultural activities.

The Nové Dvory PROJECT 9 – Durychova I is located at the intersection of Novodvorská and Durychova streets. 45 new municipal flats are expected to be built here. PDS commissioned a volumetric verification study of the construction in 2022. An architect/designer was selected in 2024, and intensive design work will be carried out in 2025.

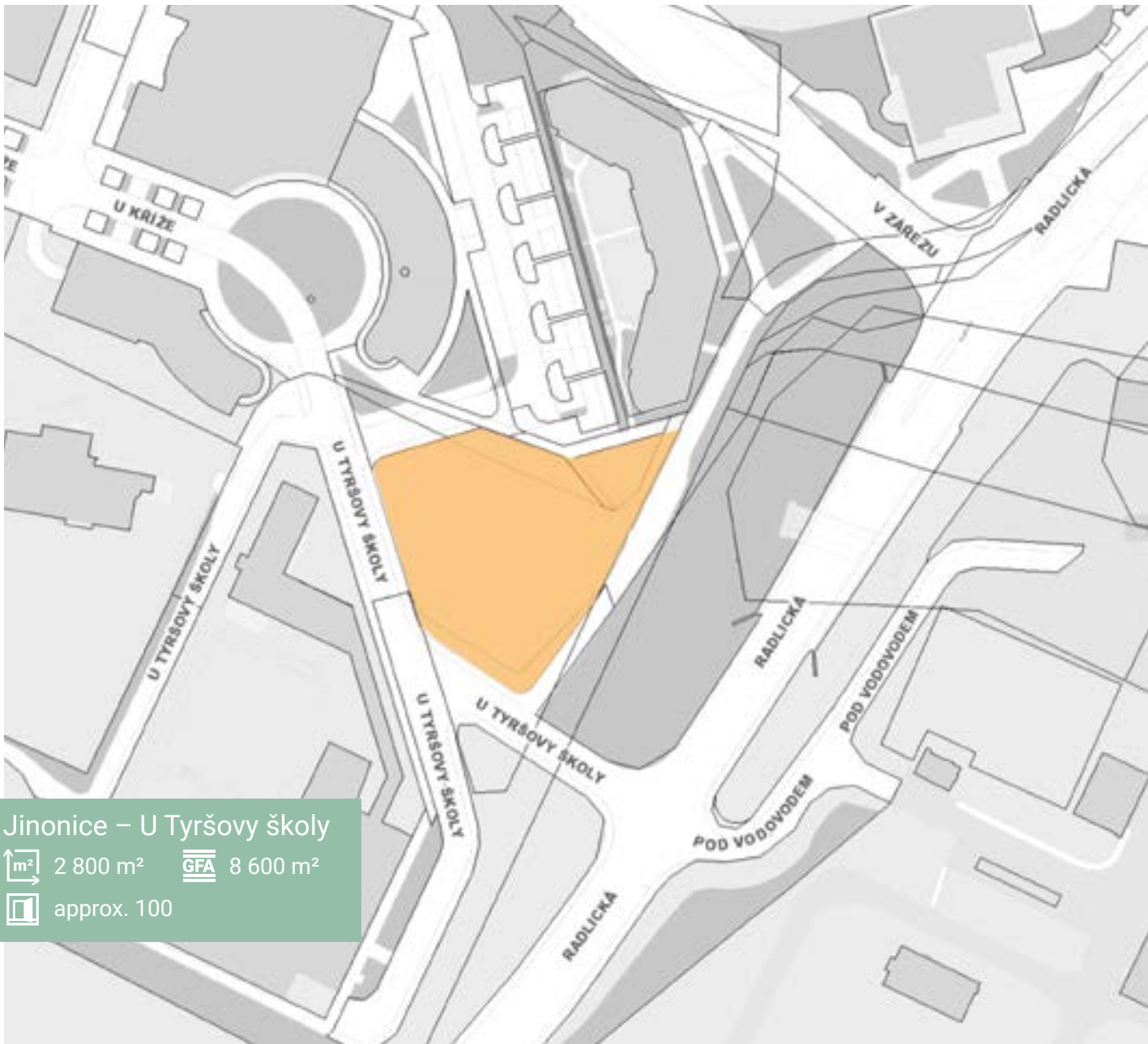
Nové Dvory, PDS



Jinonice – U Tyršovy školy

This is a compact, smaller plot suitable for the construction of a residential building with approximately 100 residential units. In 2023, the project concept was approved by the Investment Expert Committee and the Prague City Council.

A design contractor was selected in 2024, and intensive design work will be completed in 2025.

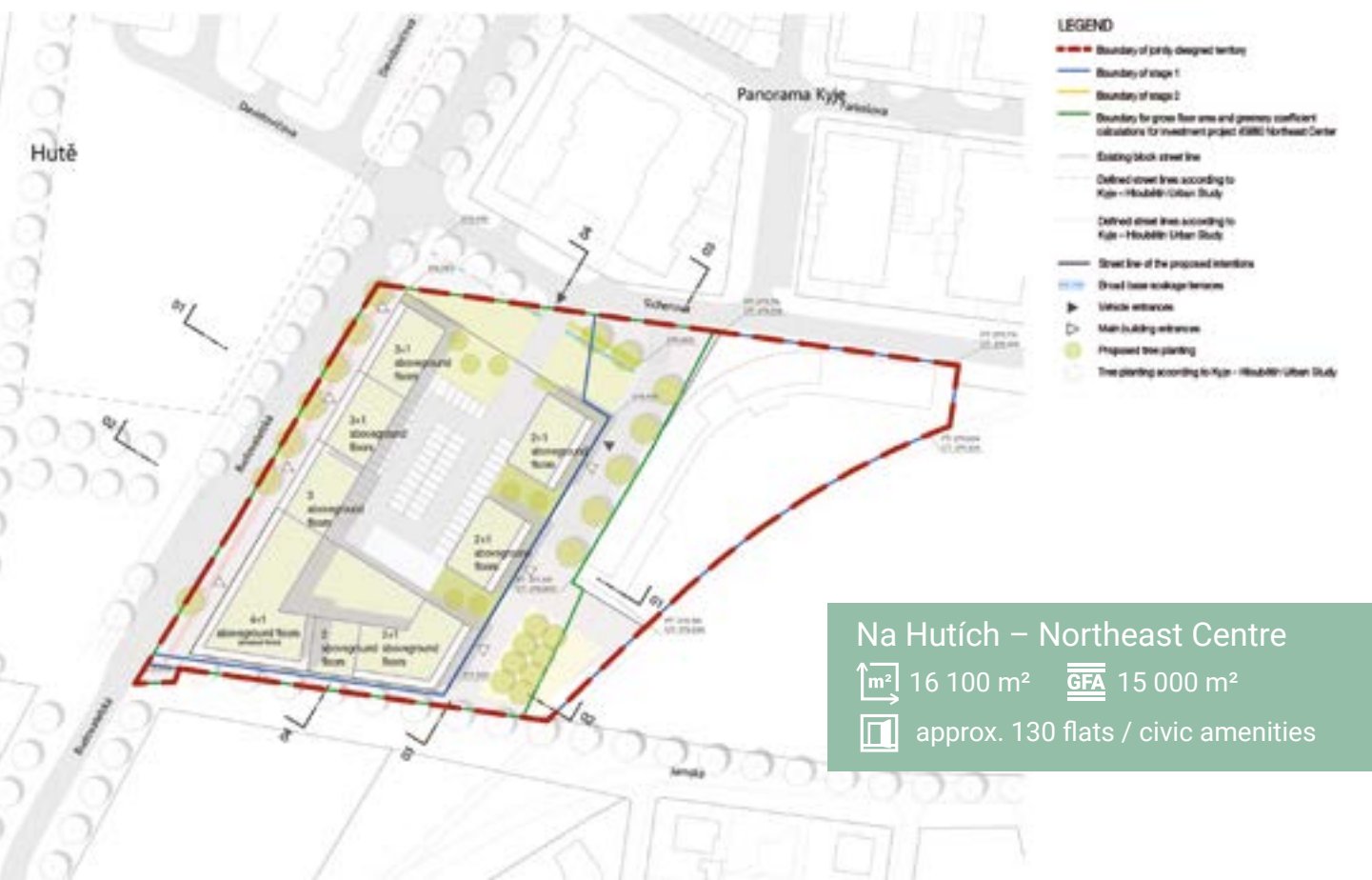


Na Hutích – Northeast Centre

The municipal land at the Na Hutích site has an area of less than 2 hectares, and the construction of a local centre for the entire area is planned with residential buildings, terraced family houses, services, and civic amenities, including retail space and a nursery school with a community centre. Part of the area's development will include the improvement of public spaces and the completion of necessary transport and technical infrastructure.

According to the approved zoning plan change, the potential of the Na Hutích – Northeast Centre project includes approximately 130 flats. In September 2022, the Prague City Assembly gave final approval to changes in the zoning plan which will enable the proposed development of the site and the preparation of the first specific projects. In 2023, the Investment Expert Committee approved the basic parameters of the Na Hutích PROJECT 3 – Northeast Centre, and now the next step commencement awaits the decision on the project launch by the Prague City Council.

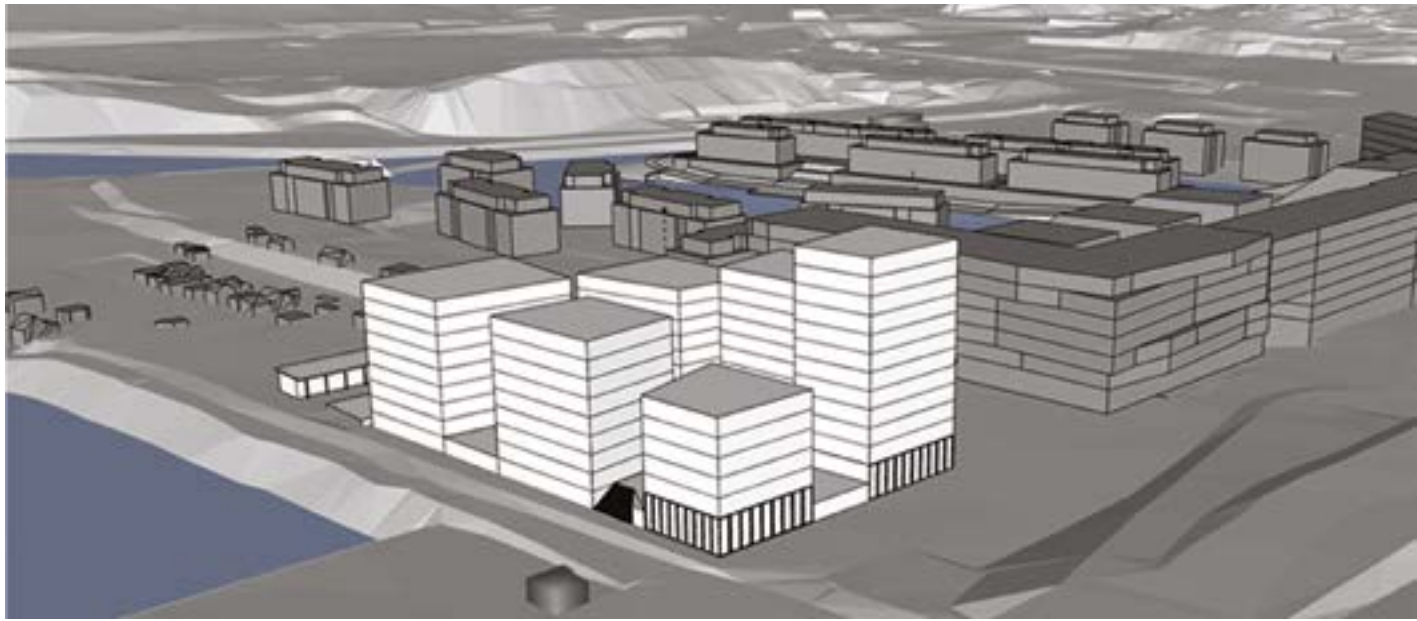
Na Hutích – Northeast Centre urban planning study, UNIT architects



Libeňský přístav, Prague 8

On city-owned land on the corner of Štorchova and Menclova streets in Prague 8, PDS has prepared a concept for the construction of affordable rental housing with approximately 200 flats. Its future form and exact capacity are being prepared as part of a volume study. There are still some property right issues to be resolved and flood protection measures to be taken on the site, and the next steps in the area's preparation will be taken in 2025.

Libeňský přístav, QARTA Architektura



Libeňský přístav, QARTA Architektura



Jinonice – Residential buildings and secondary school

The site is located in the Prague district of Jinonice on a gentle northwest-facing slope and is bounded on the west and south sides by the Waldorf Elementary School campus and then by Mezi Rolemi street; on the north side by a closed Czech Army area, on the east side the project is adjacent to a partially completed landscaping project.

The area is immediately urbanistically connected to the Waldorf Elementary School campus on Mezi Rolemi street and will be independently served by a road connected at the intersection of this street into Radlická street, next to the existing substation.

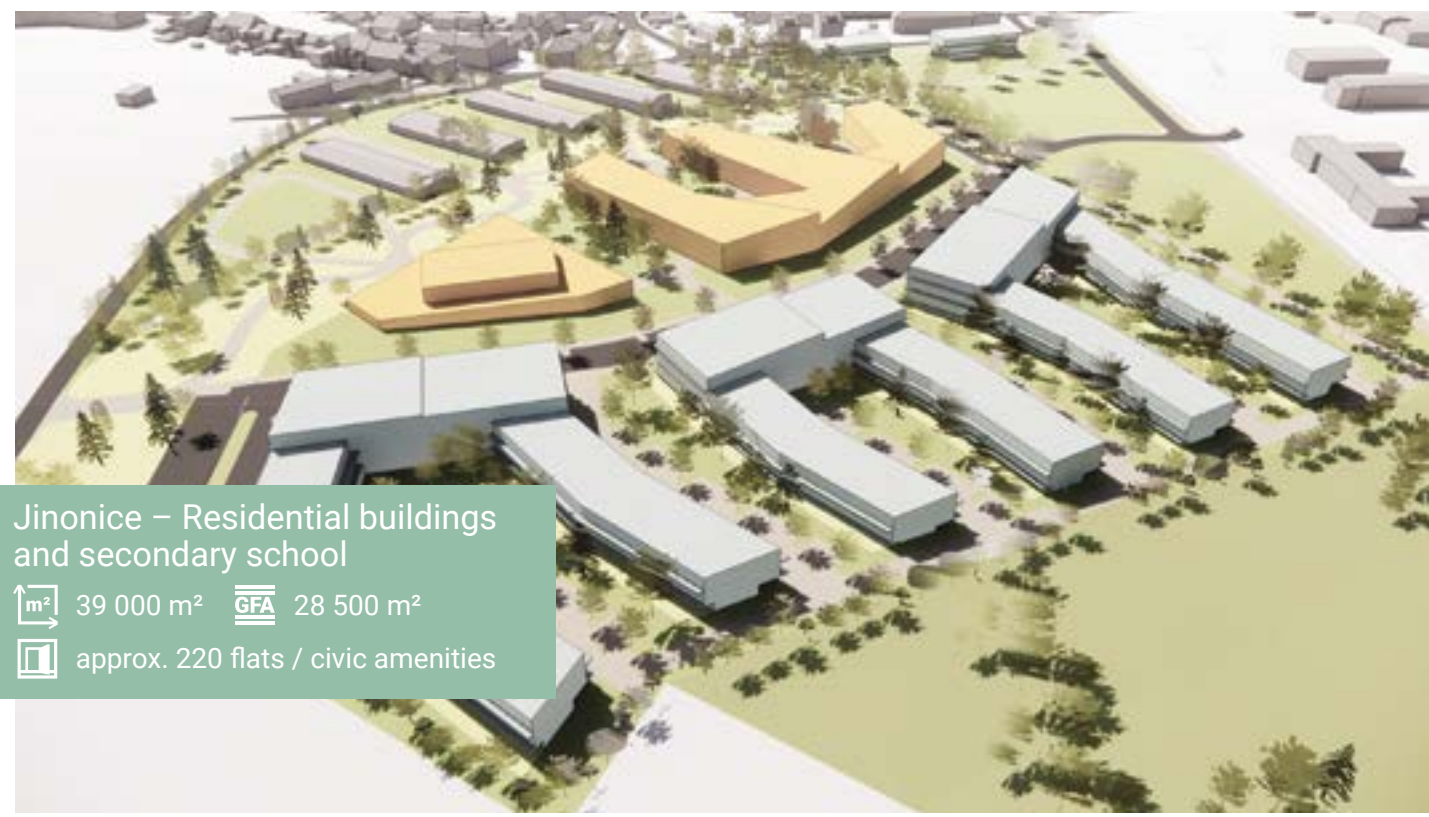
Approximately 65% of the site of just under 20,000 m² of GFA can be used for municipal housing construction with the expected distribution into three residential buildings located on a gently northern slope along a newly created street forming a boundary between the school site and the housing. The remaining capacity defined after changes to the zoning plan will be used for a secondary school project. In 2023, the City of Prague and the Prague 5 city district concluded a memorandum defining further procedure in this matter and their mutual cooperation, but the actual preparation of the projects can only start after the requested zoning change approval (Z3768), which is expected in the course of 2025.

In the area near Mezi Rolemi street, two separate two-story residential buildings with parking in a semi-closed base-ment are also planned.

Jinonice – Residential buildings and secondary school, kaa-studio



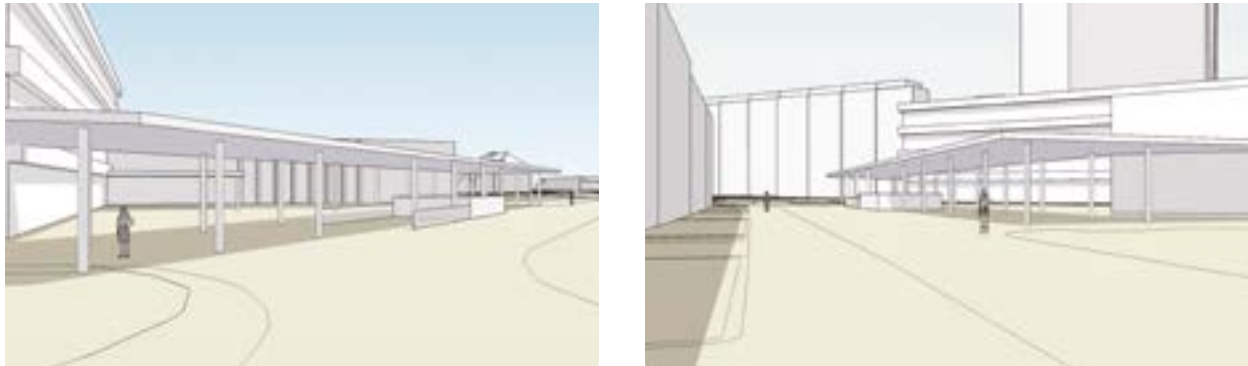
Jinonice – Residential buildings and secondary school, kaa-studio



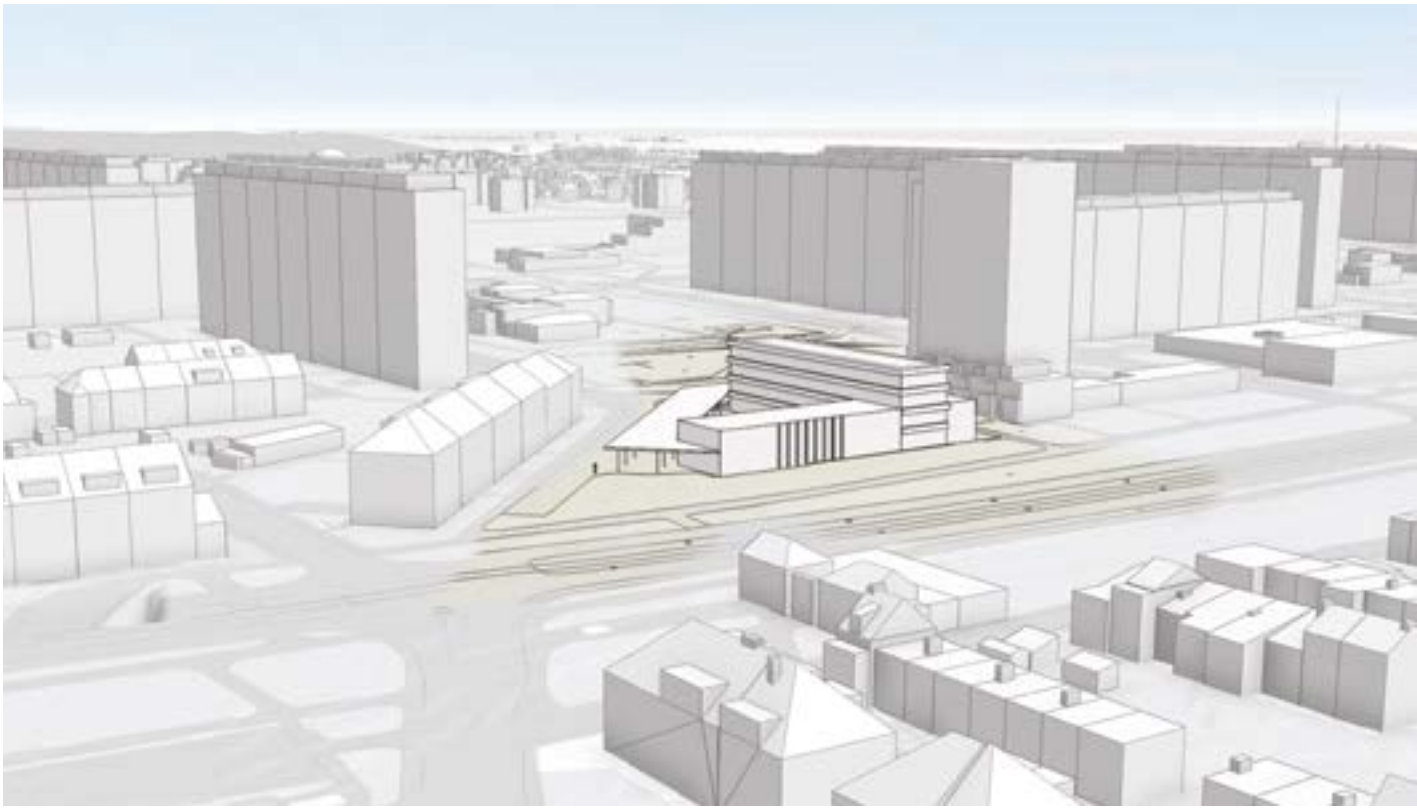
Jinonice – Residential buildings and secondary school
39 000 m² GFA 28 500 m²
approx. 220 flats / civic amenities

Davídkova, Prague 8

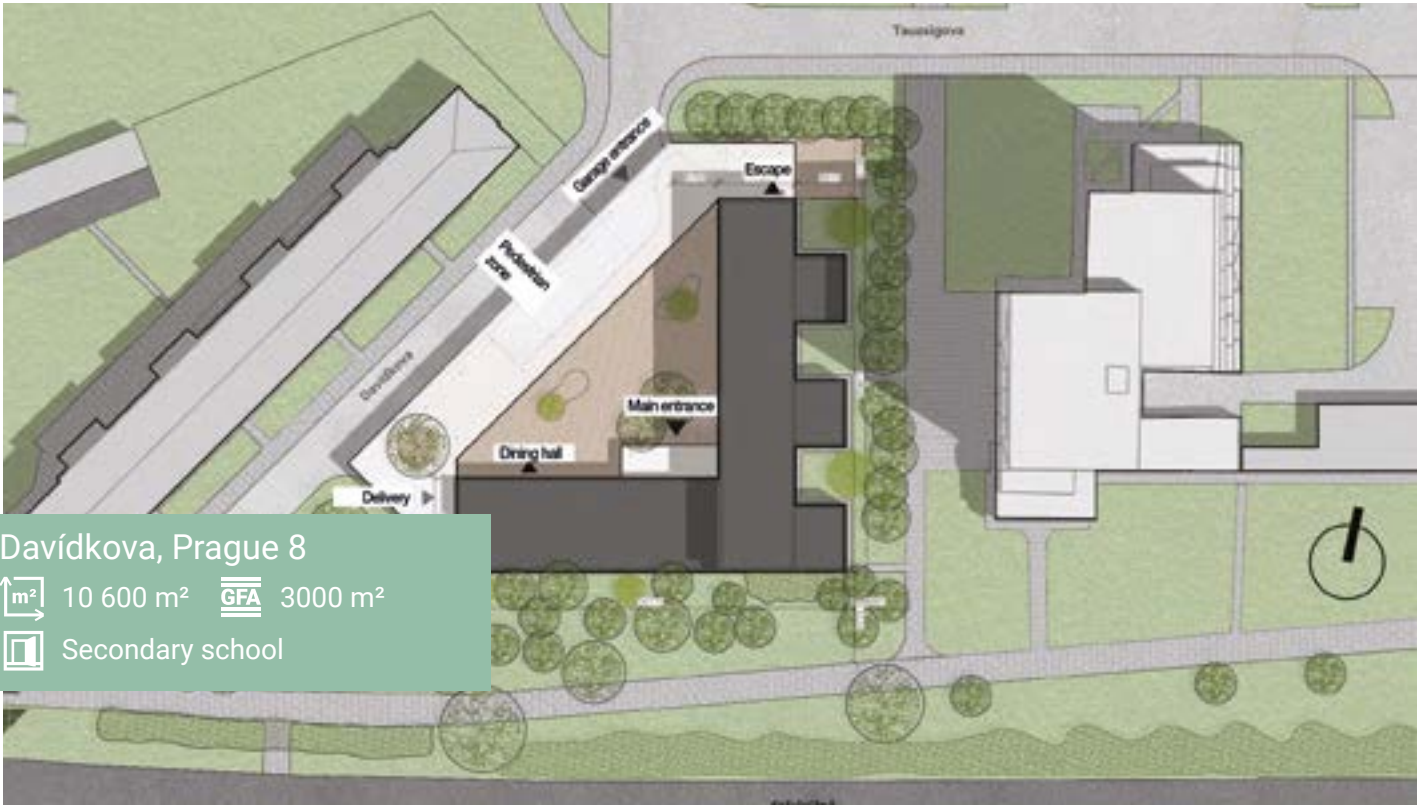
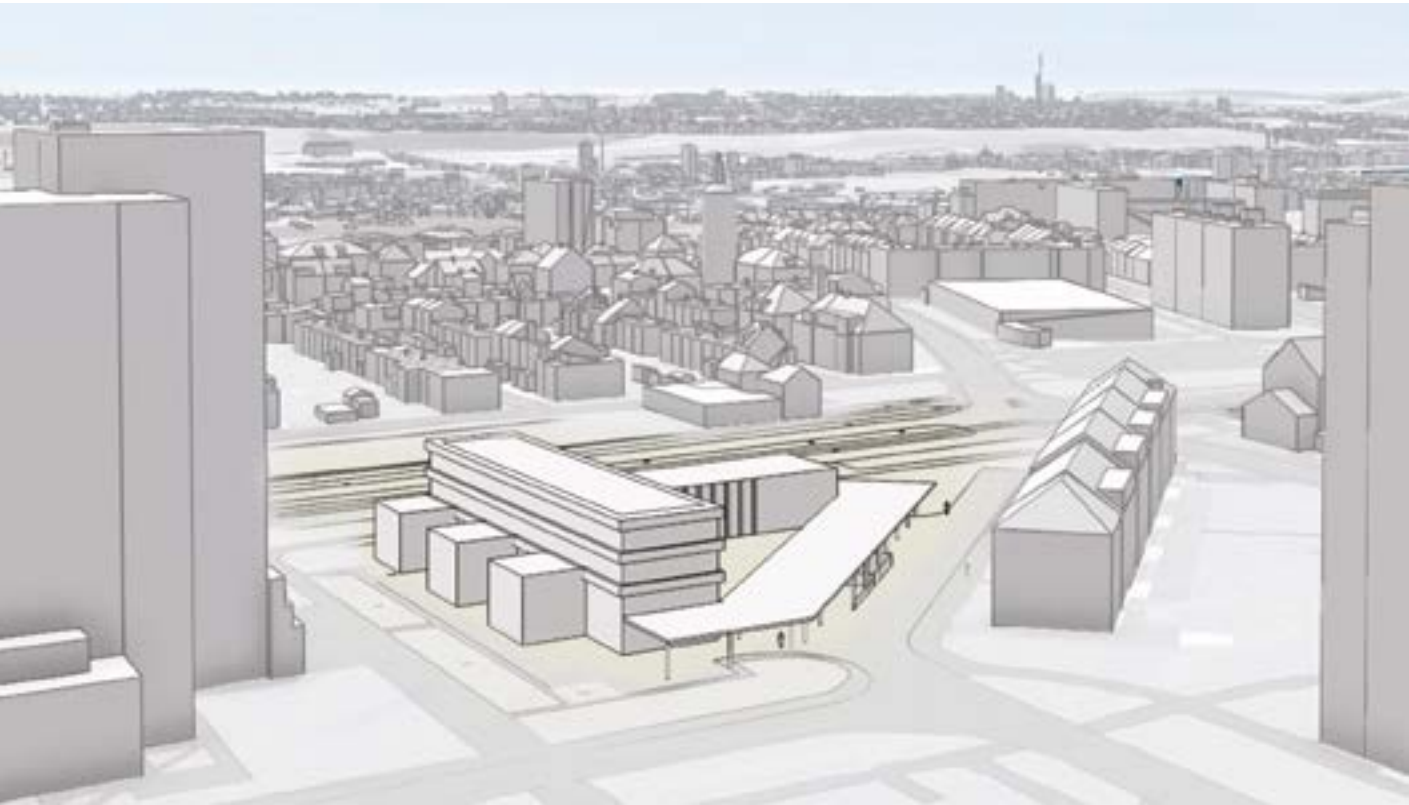
The Prague Development Company received for management a land plot in Ládví – Ďáblice, ca 300 m away from the Ládví metro station. This is an unused plot of land that is currently used for parking. Due to the lack of secondary school capacity, PDS has examined the possibility of locating a secondary school in this area with the basic parameters of the secondary school concept corresponding to the zoning study of the Ďáblice housing estate, prepared by the Department of Urban Development of the City of Prague. The performed examination confirms that it is possible to build a secondary school with a minimum of 16 classrooms in this location, with the integration of the current parking function into the project being a matter of further consideration. Due to the strategic location of the site in direct relation to the metro station, it is advisable to further investigate this option in detail.



Davídkova – Ládví, TaK Architects



Davídkova – Ládví, TaK Architects



Davídkova, Prague 8

↑
m²

10 600 m²

GFA

3000 m²

🏫

Secondary school

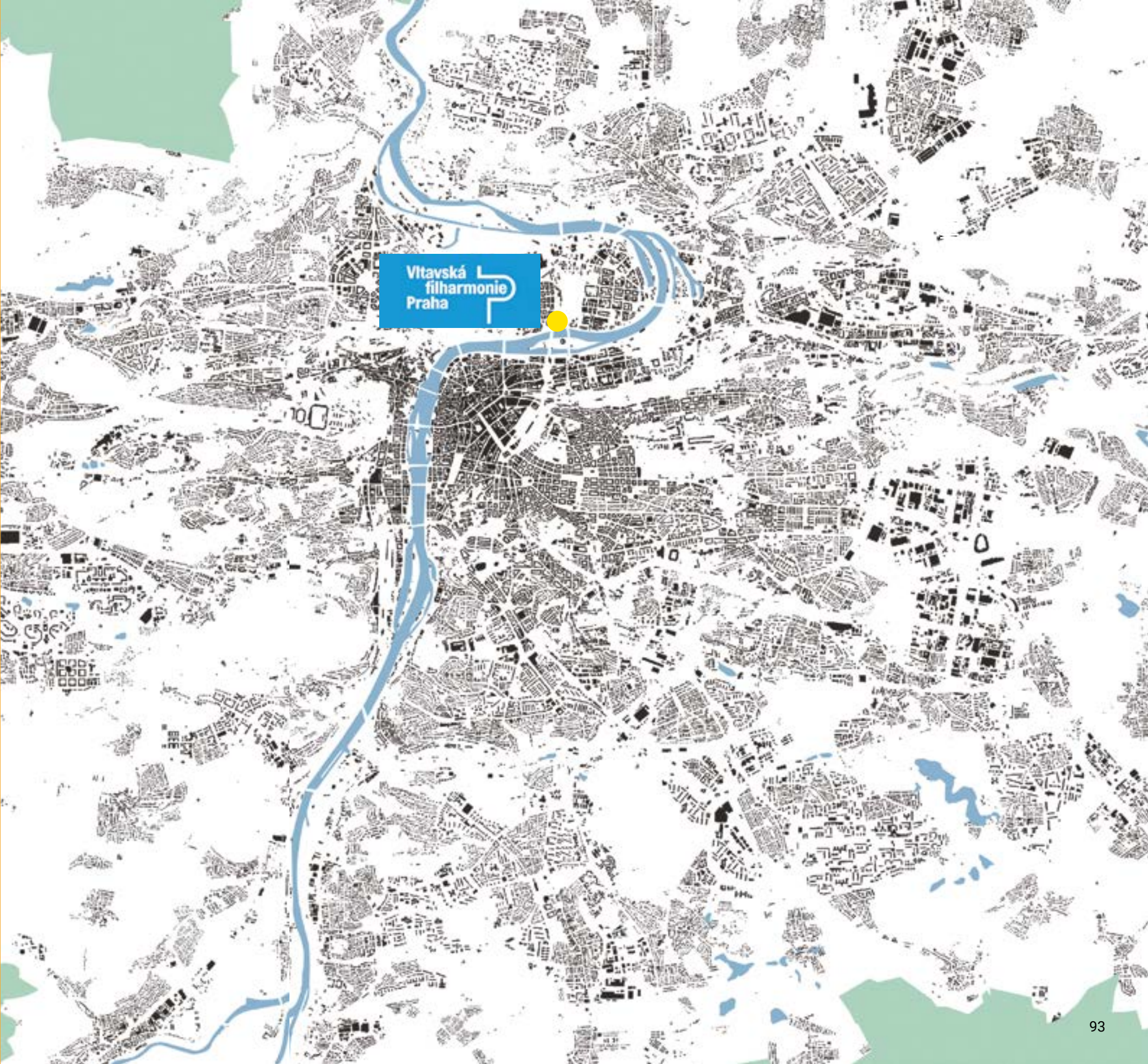
Strategic projects

PDS was founded primarily for the purpose of preparing municipal housing construction, but it has also received other tasks related to the care of municipal real estate assets and city projects, as well as the development preparation of municipal projects. As part of the key development area at Palmovka, PDS was entrusted with project preparation for the transformation of the former Centrum Nová Palmovka into the headquarters of the EUSPA agency. These tasks were successfully completed by PDS in 2023 and the project has been handed back to the City of Prague for next steps in implementation..

The Vltava Philharmonic Hall project is the initial input for the transformation of the entire Bubny-Zátory area. As part of its transformation, several infrastructure issues must be resolved so that the entire Vltava Philharmonic Hall project can be implemented within the expected timeframe. Also for these reasons, the project preparation of the Vltava Philharmonic Hall is organisationally anchored within PDS, and intensive project preparation was carried out under the leadership of the Vltava Philharmonic Hall team.

LEGEND:

 Strategic projects



Strategic projects

PDS was primarily established to prepare municipal housing construction projects, but it also receives other tasks related to the care of the city's real estate assets and projects and their development.

Since 2022, the Vltava Philharmonic Hall project team has been a separate part of PDS, with the responsibility not only for the intensive project preparation of the new national music centre, but also for coordinating a number of related infrastructure projects that will kick-start the transformation of the Bubny-Zátory brownfield into a new full-fledged and vibrant urban district.

Vltava Philharmonic Hall

National Music Centre

In 2024, the Vltava Philharmonic Hall reached a significant milestone in its project preparation. Two years after announcement of the results of the international architectural competition, which was won by the Danish studio Bjarke Ingels Group (BIG), a detailed architectural study was completed. In July 2024, the Vltava Philharmonic Hall project team launched the construction approval process by submitting an application for its Environmental Impact Assessment (EIA). The next step, which the project team began working on immediately to meet the deadline of the assumed construction commencement in 2027, was the preparation of the building permit documentation. After two years, an update was needed of the project construction costs, approved by the Prague City Council Committee for the new concert hall for the City of Prague on its meeting on 11 September 2024 and taken into consideration by the Prague City Council on Monday 23 September 2024.

About the Vltava Philharmonic Hall

National Music Centre. The Vltava Philharmonic Hall is conceived as a national centre of music.

The architectural design by the Danish studio Bjarke Ingels Group (BIG) consists of music halls (the main hall, the chamber hall, and the multifunctional hall) as well as the “creative hub” which will comprise the music department of the Municipal Library in Prague, recording studios, and a music literature study room.

Residence for two orchestras. The Vltava Philharmonic Hall will house two orchestras: the Czech Philharmonic and the Prague Symphony Orchestra, with adequate space for their residency and for their educational programs. The rehearsal rooms and a smaller teaching hall will also be available to music schools of all levels from Prague and other Czech regions.

Open 24/7/365. The Vltava Philharmonic Hall is conceived as a maximally open project with the ambition to attract lovers of classical music as well as Prague residents and visitors to Prague from all over the country and from abroad. The Hall offers a grand public space with park landscaping and benches for seating, a spacious foyer with a café, and two rooftop restaurants with beautiful vistas of Prague.

Public terraces. The roof of the project, conceived as a continuation of the public space of the square, will be partly planted with greenery, and most of it will be provided with walking surfaces. The terrace will be accessible either by attractive escalators or from the rooftop galleries so that everyone can enjoy unique panoramic views of Prague.

www.vltavskafilharmonie.cz
www.big.dk/#projects-vph



Vltava Philharmonic Hall, Bjarke Ingels Group architectural studio



Ing. Martin Krupauer

Head of the Vltava Philharmonic Hall project team

The Vltava Philharmonic Hall will be alive 365 days a year

Looking back to 2024, what have you achieved in connection with the Vltava Philharmonic Hall project?

The past year was very important for us for a number of reasons. We closed some longer processes and started other ones. Two years after the announcement of the results of the international architectural competition, which was won by the Danish studio BIG, a detailed architectural study for the Vltava Philharmonic Hall was completed. After consultations with experts and the general public, the project was extended by about 13% and refined in many respects. Today, we have detailed layouts of all the internal and external spaces and technologies, and we are working out the materials. This allowed us to have the project budget updated after two years, which, due to the project extension and the higher prices of construction materials and works, had to be increased from CZK 9.4 to CZK 11.65 billion. I am glad that the Prague City Committee for the New Concert Hall for the City of Prague approved the project update and its price increase at its meeting of 11 September 2024, and that the Prague City Council acknowledged this fact at its meeting of 23 September 2024. We then informed the general public about the current status of the project through a press conference in the afternoon of 23 September 2024.

You stated that you had completed a detailed architectural study and started other processes, so what did you start?

After completion of the detailed architectural study, we moved from the creative phase to a purely technical one, namely to detailed planning and the most efficient organizational preparation of the construction. For example, since mid-2024, surveying works were performed on the Vltava Philharmonic Hall's plot, thanks to which the team of designers and architects was able to determine the exact composition of the geological subsoil beneath the Philharmonic building. Along with the engineering-geological survey, two other surveys were carried out: geotechnical and geophysical. The boreholes of the geological survey were also used to measure vibrations from metro and tram traffic. The detailed subsurface investigations were carried out well in advance to enable the design and planning of the construction to be precisely tailored to the construction site and to meet the planned budget and construction schedule. In short, to eliminate any big surprise during construction.

What else?

In July 2024, we submitted an application for an environmental impact assessment of the construction of Vltava Philharmonic Hall. This is known as the EIA, and it is the beginning of the project approval process.

Now we are in the process of negotiations with the relevant authorities. Immediately thereafter, so as to meet the deadlines, we started working on the documentation for the permit, which merges the earlier planning and building permits. So far, we are on schedule and starting construction in 2027, and its completion in 2033 is realistic.

Why was the construction of the Vltava Philharmonic Hall placed on Vltavská street in particular? It's quite hard to imagine a more complicated de facto brownfield site.

It was a political decision of the Prague City Council, then headed by Mayor Adriana Krnáčová, and I must say that I am very happy about that. Vltavská is the last vacant plot of land near the Vltava River in the wider centre of Prague that is suitable for the construction of a major public building. It is located at the beginning of the largest development area in the centre of Prague, one which has been under construction closure for a long time. We know from our experience abroad that important public buildings are placed in brownfields to kick-start their transformation. The Vltava Philharmonic Hall is to perform the same role. Our team deals not only with the construction of the Philharmonic building itself, but also with infrastructure projects in its immediate surroundings. In addition, the City of Prague also deals with overarching urban planning processes in the entire area so that it can be opened up for private investment, and so that a new urban district can gradually be developed here. The cost of the transformation of the Bubny – Zátory development area will cost the public sector approximately CZK 23 billion, only half of which (according to the current cost estimate of CZK 11.65 billion) will go towards the construction of the Vltava Philharmonic Hall. Without the Philharmonic Hall, the city would not be motivated to make such an investment, and private capital will not invest in the city's infrastructure on such a scale.

What does the construction program of the Vltava Philharmonic Hall consist of?

The Vltava Philharmonic Hall consists of several mutually interconnected blocks whose operation will be able to complement each other, operate in combination, or independently. Thanks to this, the Vltava Philharmonic Hall will become a lively cultural and musical centre for the whole day, seven days a week, 365 days a year. The heart of the Philharmonic will be the music halls with a background for artists and public spaces for visitors. Equally important will be the creative hub, the centre of which will be the music library. Creative activity will be further developed in rehearsal rooms, study rooms, and educational spaces for all to use. For both of these blocks, the Vltava Philharmonic Hall will create high-quality operational, technical, and technological production facilities. The Vltava Philharmonic Hall will be home to two of the most important Czech symphony orchestras – the Czech Philharmonic and the Prague Symphony Orchestra. All guest performers and music ensembles will also find quality facilities here.

The operation of the Vltava Philharmonic Hall is unimaginable without sufficient top-quality catering services, which will offer service for visitors, artists, and employees as well as for the purpose of events and ad hoc happenings in the



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public space in front of the building.

The restaurants on the Philharmonic's rooftop terrace will offer beautiful vistas of the Prague Castle and the city skyline.

The building program also includes a guided tour that will take visitors through the entire building and allow them to look into areas not normally accessible, such as rehearsal rooms, recording studios, and halls during rehearsals for performances.

And what about a public space?

Right you are, the Vltava Philharmonic Hall is not just the building itself. The outdoor public space that surrounds the building and forms a whole with it is also an inseparable part of it. This will be a meeting place and a venue of various events. The urban design of the public space will connect the Philharmonic building with the promenade along the Vltava River. We envisage extensive park landscaping in the building parterre but also on the roof terrace, which will be provided with a walking surface and partly planted with ornamental grasses and succulents.

For a cultural building of this type and importance, accessibility is also very important. The project includes an underground parking lot, places for tour buses and taxi stopping, and passenger boarding and disembarking. There will also be spaces for delivery vans, transport of performers and their music equipment, and parking for radio and television production trucks. The existing road and rail traffic will be moved underground to generally calm the entire site.

Our project also includes modernisation of the Vltavská metro station, construction of a second exit from the metro station directly to the building of the Philharmonic house, and we are consulting and coordinating construction

of the Prague – Bubny railway station with the Railway Management Company. By the time the Philharmonic Hall opens (i.e. in 2033), both the train station in Bubny and the reconstruction of the Hlávkův most Bridge will have been completed. This will lead to a significant transformation and a “lighting up” of the entire area.

A frequently asked question is how the construction of the Vltava Philharmonic Hall will be financed.

Yes, this is a frequently asked question, and we are also continuously looking into funding. At the moment, all the costs for the preparation of the project are covered by the City of Prague. The ideal, however, is multi-source financing. Negotiations are underway with the state, because the Philharmonic Hall will be used by the Czech Philharmonic Orchestra, a state music ensemble, and will be used by visitors from all over the country, not just Prague residents. We would also like to introduce the Vltava Philharmonic Hall Endowment Fund, where corporate and private donors can contribute to a transparent account. We believe that the Philharmonic Hall will resonate not only in Prague, but also in the other regions.

Construction program of the Vltava Philharmonic Hall building

■ Concert Halls

A modern concert hall with top acoustics and 1800 seats, a 550-seat chamber hall and a multifunctional hall for multi-genre music productions for an audience of 500 seated and 1200 standing persons and an event/conference space for 200 attendees.

■ Creative Hub

Music department of the City Lending Library in Prague, rehearsal rooms and recording studios, a hall for music education programs.

■ Facilities for Artists

Facilities for the two resident orchestras, the Czech Philharmonic and the Prague Symphony, and for visiting ensembles.

■ Facilities for Visitors

An entrance foyer and hall foyers with cafés and refreshments, observation and walking terraces, and two restaurants on the walking roof of the building.

■ Public Space

The urban design includes a cultivated public space with greenery on the roof of the building and in its surroundings. In the space between the embankment and the house, road traffic will be moved underground, enabling direct access to the future promenade along the Vltava river.



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Construction program of the Vltava Philharmonic Hall building

Martin Krupauer (Project Team Leader), **Martin Gross** (Deputy Leader and Project Manager), **Monika Habrová** (Deputy Leader and Project Manager), **Petra Hruběšová** (Project Manager), **Luboš Hapal** (Project Coordination and Externalities Manager), **Eliška Marková** (Marketing and PR Manager), **Martina Treščáková** (Project Team Secretary) and **Ella Hradecká** (Project Team Assistant).

The Vltava Philharmonic Hall project team is part of the Prague Development Company, under which it operates as a separate department.



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Key suppliers and collaborators of the Vltava Philharmonic Hall project

- Architectural design, general designer**
Bjarke Ingels Group (Denmark)
- Local architect**
Afry (Austria/Czech Republic)
- Project management (construction manager)**
Delta Projektconsult + JE Group + Fetters management Consortium
- Acoustics**
Nagata Acoustics (Japan)
Aveton (Czech Republic)
Ekola (Czech Republic)
- Lighting**
Speirs Major (United Kingdom)
- Theatre technology**
Theatre Projects (United Kingdom)
Gradiortech (Czech Republic)
- Facade engineering**
Front (U.S.A. + Canada)
- Construction and statics**
Buro Happold (United Kingdom)
Němec Polák (Czech Republic)
- Sustainability + cost management**
Grinity (Czech Republic)
- Landscape architecture**
Bjarke Ingels Group (Denmark)
Zdeněk Sendler (Czech Republic)
- Transport structures**
Systematica (Italy)
Atelier DUA, s.r.o. (Czech Republic)

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