

The international developer UDI Group returns to the regions. It wants to invest more than 100 million Euros in the newly acquired project in Brno

Prague, February 7, 2023 – The international developer UDI Group is returning to the regions of the Czech Republic where it started years ago. At the beginning of the year, it bought an industrial area roughly 1.5 kilometres from the center of Brno, right on the embankment of the Svitava river, which it wants to develop in the future. The current zoning plan here allows for offices, production, but also hotel-type accommodation. However, the city itself is striving to change the function of the area in the new zoning plan so that it is possible to build housing, which prevails in the surrounding area.



UDI Group will prepare the first stage in accordance with the current wording of the plan, i.e. the construction of hotel-type accommodation. The parties did not comment on the price of the transaction. The investment in the reconstruction of the

entire area is estimated at more than 100 million Euros.

"The UDI Group started as a developer of affordable housing in the regional cities of the Czech Republic, and years later, thanks to the latest acquisition, it is returning to the regions. Brno, as the second largest city in the Czech Republic. This is very interesting for us. The new acquisition, in accordance with the current zoning plan, will allow us to build hotel-type accommodation, and in the future probably also housing. In terms of investment, it is a project of the order of three billion Czech crowns," explained UDI Group strategy director Marcela Fialková.

The group will continue to operate the site, which today is mostly occupied by tenants and is used for offices and light manufacturing. *"We will temporarily rent the part of the premises that is not occupied today. At the same time, we will prepare a project for the reconstruction of the area. It is very close to the center of Brno, and located directly on the embankment of the Svitava river in a classic block of flats near the tram station, which will take future residents to the center in about eight minutes,"* added Fialková. The entire neighbourhood is gradually being transformed

For more information, you can contact us fialkova@urban-developers.com. Detailed information about the company can be found www.urban-developers.com/cs

About us – UDI Group is an international developer that builds residential, office and industrial projects in the Czech Republic and other European countries and in Latin America. It focuses on complex development that combines functions - housing, offices and shops. It is currently preparing 20 projects, the sales of which will reach 2,1 billion Euros in the next five years.

into residential accommodation or housing. Across the river, for example, there is a brownfield after the former Zbrojovka Brno factory, which will also be transformed into a new residential area.



The current spatial plan allows the construction of buildings for offices, retail, light manufacturing, and also hotel accommodation. *"If the zoning plan is reappraised, which was initiated by the city some time ago, then it should be possible to build classic*

housing on our land. However, at the moment we are working on hotel-type accommodation supplemented with services, shops and offices. We would incorporate the built accommodation units into our prepared real estate fund and operate them similarly as earlier done, for example, at our ParkSide project in the Hungarian capital," explains Fialkova, the intentions of the UDI Group.

What the UDI Group wants to build in the first stage is therefore long-term accommodation with a higher standard of services, which is relatively in demand in Western European cities today, so there could be a demand for similar modern accommodation near the center of Brno. On the land, where today there are 28 different buildings with split levels and uses, the group will prepare a modern project in stages. *"We should be able to start building the first of them in about two years,"* added the Director of Strategy.

Husovice is the first acquisition that the UDI Group presented this year. In total, for the purchase of new land and premises for this year, it has allocated funds in the order of billions of Czech crowns, which it wants to direct mainly to its existing markets, i.e. to the Czech Republic, for example, and also to Poland and Hungary. The group is currently working on 20 projects together with the latest addition from Brno. Their current value after revaluation of assets as a result of exchange rate changes, and mainly after their evaluation progressing through project preparation and construction, is estimated at 445 million euros, i.e. about 11.35 billion Czech crowns. In the following years, UDI Group expects sales from them at the level of 2.1 billion euros, i.e. almost 54 billion crowns.

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