

INFORMATION MEMORANDUM



AUCTION OF A RENTED MULTIFUNCTIONAL HOUSE WITH A RESTAURANT IN THE HISTORICAL CENTER OF THE CITY OF OLOMOUC

ul. Michalská 2, Olomouc - city South Moravian region,
Czech Republic

<u>Estimate price:</u>	126.000.000,- to 136.000.000,- CZK		
<u>Lowes submission:</u>	126.000.000,- CZK		
<u>Total floor area:</u>	1 958,75 m ²	<u>Built up area:</u>	780 m ²
<u>Numbers of residentl units:</u>	18 bytů	<u>Number of non-residential units:</u>	1 restaurant
<u>Annual rental income:</u>	4.143.120,- CZK	<u>Rented area:</u>	1 749,28 m ²

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Attachments

Attachment No. 1: Information on the presence of networks, zoning plan, statement from the city of Olomouc - ÚPI

Attachment No. 2: Certificate of Title No. 5068, cadastral area Olomouc-city

Attachment No. 3: Construction documentation for building permit, execution of the building, and changes to the building before completion – available upon request

Attachment No. 4: Floor plans of the building including the basement and changes to the building before completion

AttachmentNo. 5: Photo documentation

Attachment No. 6: Expert opinion

Attachment No. 7: Lease agreements – available upon request

Attachment No. 8: Preliminary agreement on establishing an easement – ČEZ

Attachment No. 9: Easement agreement – Technical services of the city of Olomouc

Disclaimer:

The information contained in this document has been obtained from the expert and professional report processors, state administration offices, or other reliable sources. We have no reason to doubt its accuracy, but we cannot guarantee it. We are not aware of any changes or revocations. In case of any discrepancy between the information provided in this memorandum and the actual state observed on-site, the on-site observation shall prevail.

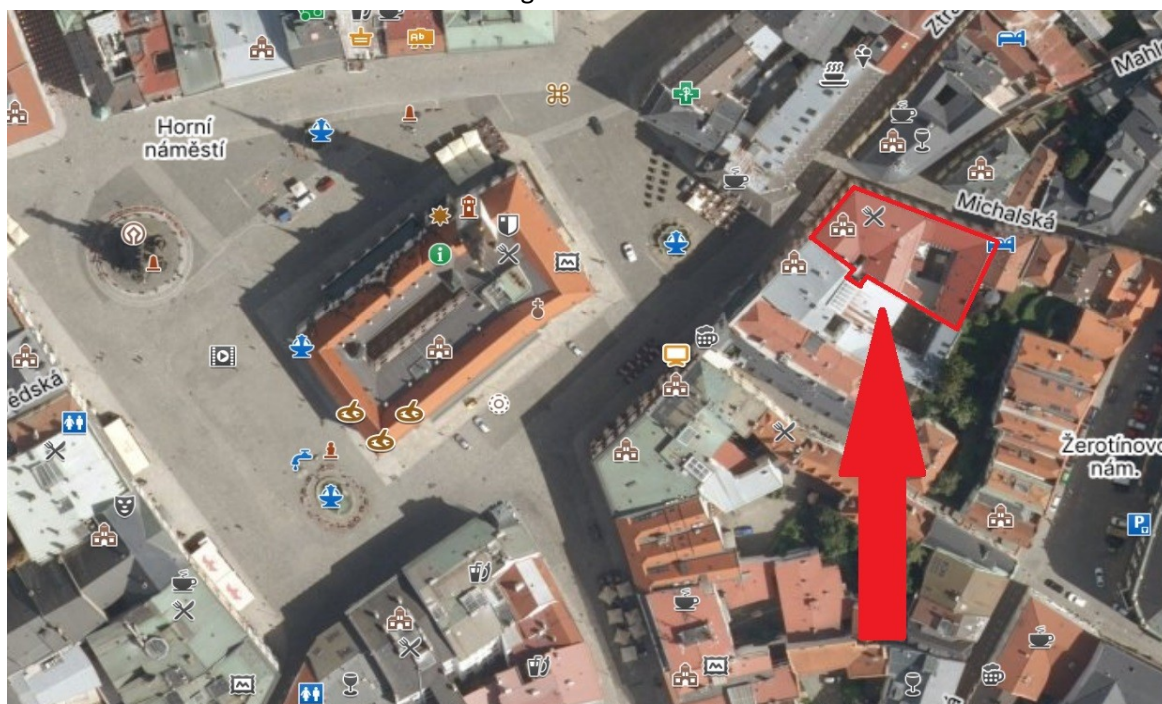
Basic Information

The subject of the auction is a rented and renovated multifunctional building located at the corner of Ztracená and Michalská streets, directly in the historical center of Olomouc on Horní Square. The ground floor of the building houses a non-residential space – the restaurant Potrefená Husa. This corner three-story building with a Baroque facade – originally the Palace of the Podstatský family from Prusinovice – faces Horní Square with its main building and Michalská Street with its courtyard wing. The first to fourth floors accommodate 18 rented residential units. The larger part of the ground floor is occupied by the restaurant, its facilities, and common areas of the house. The entire building underwent extensive renovation and reconstruction in 2017-2018. In the courtyard part of the building, a new elevator and galleries were added at the level of the 2nd to 4th floors. The property is connected to all utility networks – electricity, gas, public water supply, and municipal sewage system.

The building is registered as a cultural monument in the Central List of Cultural Monuments of the Czech Republic under registration number 13656/8-3653.

Key Features of the Property:

- Fully leased investment property
- Annual rental income: 4,143,120 CZK
- 18 residential units with layouts ranging from 1+kk to 4+kk (totaling 1,270.28 m²)
- Non-residential space leased to an established restaurant (479 m²)
- Excellent technical condition (complete renovation in 2017-2018)
- Prestigious location in the center of Olomouc
- Easy access to amenities and transportation
- Historical value and architectural significance



Detailed Auction Information

Appraised Value as of May 26, 2024:	126.000.000,- up to 136.000.000,- CZK
Starting Bid:	126.000.000,- CZK
Auction Start:	8. 10. 2024 in 6 PM
Auction End:	9. 10. 2024 in 4 PM
Auction Deposit:	1.500.000,- CZK
Minimum Increment:	200.000,- CZK

3D Tour: <https://my.matterport.com/show/?m=95L5WbqEHva>

Video: <https://youtu.be/rm0V7azo-pc>

Auction Link:

The sale will be conducted through an auction according to Act No. 26/2000 Coll. – this involves the monetization of real estate within the insolvency proceedings of the debtor REAL ESTATE MORAVIA s.r.o.

For More Information Contact the Broker:

Ing. Vlastimil Navrátil

tel.: + 420 774 040 703

email: v.navratil@gavlas.cz

Auction Item Specification



The subject of the auction includes the following real estate properties:

Parcel number St. 632 with an area of 780 m², built-up area, and courtyard, including the residential building No. 206. All recorded under Certificate of Title No. 5068 in the cadastral area of Olomouc-city, Olomouc municipality, Olomouc district, at the Land Registry Office for the South Moravian Region, Olomouc cadastral office.

Rights and Encumbrances: Listed in part C of the Certificate of Title

Recorded Easement: Easement for the placement and operation of electrical equipment for public lighting according to V-586/2010. This includes the placement of technical equipment on the facade of the building (two distribution boxes, an anchor for a cable with a light, and cable conduits beneath the facade surface), as well as maintenance and repair rights.

Unrecorded Easement: Agreement on a future contract to establish an easement – ČEZ. This concerns the easement for the placement and operation of electrical distribution equipment located on the ground floor of the building in the courtyard tract (Attachment No. 8).

Annual Income from the Property

The building contains 18 residential units with layouts ranging from 1+kk to 4+kk. All residential units are rented on a long-term basis with fixed-term contracts until 2025, with a three-month notice period. The restaurant Potrefená Husa, including its facilities on the basement and ground floors, is leased on a long-term basis until 2028, also with a three-month notice period.

Description of individual floors, and amount and duration of rent

Residential/non-residential units	Rent CZK/Month	Lease term
Restaurant 1.NP a 1.PP	88 560,00 Kč	till 30.4.2028
Flat 1A, 3+kk ve 2.NP	14 500,00 Kč	till 28.2.2025
Flat 1B, 2+kk ve 2.NP	15 000,00 Kč	till 28.2.2025
Flat 1C, 2+kk ve 2.NP	15 000,00 Kč	till 28.2.2025
Flat 2, 2+1 ve 2.NP	15 000,00 Kč	till 31.8.2025
Flat 3, 2+kk ve 2.NP	12 500,00 Kč	till 28.2.2025
Flat 4, 1+kk ve 2.NP	8 500,00 Kč	till 28.2.2025
Flat 5, 1+kk ve 2.NP	11 000,00 Kč	till 28.2.2025
Flat 6A, 3+kk ve 3.NP	15 000,00 Kč	till 28.2.2025
Flat 6B, 2+kk ve 3.NP	15 000,00 Kč	till 28.2.2025
Flat 6C, 2+kk ve 3.NP	15 000,00 Kč	till 28.2.2025
Flat 7, 2+1 ve 3.NP	15 500,00 Kč	till 28.2.2025
Flat 8, 2+1 ve 3.NP	13 500,00 Kč	till 28.2.2025
Flat 9, 3+kk ve 3.NP – mezonet	15 500,00 Kč	till 28.2.2025
Flat 10, 3+kk ve 3.NP – mezonet	16 000,00 Kč	till 28.2.2025
Flat 11, 3+kk ve 4.NP	19 000,00 Kč	till 28.2.2025
Flat 12, 4+kk ve 4.NP	19 000,00 Kč	till 28.2.2025
Flat 13, 2+kk ve 4.NP	14 500,00 Kč	till 28.2.2025
Flat 14, 1+kk v 1.NP	7 200,00 Kč	till 28.2.2025
Overall	345 260,00 Kč	

Lease agreements are available upon request as Attachment No. 7.

Description of the Property

The palatial-type building contains one underground and four above-ground floors, and it is covered with a series of gable and shed roofs. On the ground floor of the main structure is the restaurant Potrefená Husa, which also uses some spaces in the basement as storage and employee facilities, along with one 1+kk apartment located in the courtyard part of the ground floor. All remaining floors of the building consist solely of residential units ranging from 1+kk to 4+kk. There are seven apartments on both the second and third floors, with two of the apartments on the third floor in the courtyard wing being duplexes. The fourth floor has three apartments.

The building is connected to electricity, water supply, sewage, and gas. The affected building is a corner three-wing three-story house of palatial character with Baroque facades. The facade facing Horní Square is five-axis, while the facade facing Michalská Street is nine-axis. The original Gothic building from the late 15th century has preserved vaulted cellars and part of the masonry on the ground floor. In the first third of the 18th century, the house was rebuilt into a Baroque palace with a monumentally designed facade featuring a pilaster order, and the courtyard wing is from the same period. The ground floor interior features period vaults. During the Classicist period, a connecting wing was built, and the courtyard Baroque wing was raised. In the 19th century, a new house staircase was built, and an entrance was created from Michalská Street. Modifications were made to the layouts, and a spiral staircase was installed in the courtyard wing. The facade facing Horní Square preserves a stone Baroque portal, and another Classicist-style portal faces Michalská Street.

The cellars and parts of the ground floor masonry are from the original Gothic building, composed of mixed masonry and stone. The vertical structures of the building are made of solid bricks from the second floor upwards. A major Baroque reconstruction took place in the 18th century. The building was last adapted in 2017 and the following years, with the current state of the building being very good, as it has undergone a comprehensive adaptation. The adaptation and reconstruction of the building involved the first to fourth floors, including the construction of duplex apartments in the roof, except for the restaurant and its facilities and the spaces in the basement. The main element of the construction modifications was the addition of an elevator in the courtyard, which connects to a new gallery, thereby linking the courtyard wings and the main building, and thus each floor.

Scope of the Building Adaptation (1st to 4th floors):

- Structural reinforcement of flat beam ceilings, replacement of damaged parts, and creation of a new ceiling structure composition.
- Structural reinforcement of brick vaults on the ground floor.
- Repair of the staircase area in the main building and the spiral staircase in the courtyard wing, including refurbishment of railings and steps.
- Structural reinforcement of perimeter structures.
- Installation of new floor structures with integrated acoustic insulation.
- Creation of new layouts by adding light partition walls.
- Addition of an elevator in the courtyard part – steel structure clad with insulating safety glass of the Stopsol type.
- Installation of galleries on the second, third, and fourth floors in the courtyard wing area.

- Inspection and replacement of the roof covering, new roof truss above the wing facing Michalská Street.
- Repair of street facades.
- Repair of courtyard facades.
- Electrical installations and SLP.
- Health and technical installations, gas distribution.

In 2017, a change was made to the building before its completion, converting the original offices on the second and third floors of the main building into apartments. Additionally, one 1+kk apartment was created on the ground floor in the courtyard wing. Detailed floor plans are provided in Attachment No. 4.

Due to the active residential use of the building, two large apartments on the fourth floor have their own gas condensing boiler with a 160-liter hot water tank, located in the apartment's bathroom. The heat source for nine apartments is a wall-mounted condensing boiler of the brand IMMERGAS, located on the fourth floor of the main building (room no. 422 in the fourth-floor plans). The heat source for seven apartments is an identical wall-mounted condensing boiler located on the ground floor in the courtyard wing of the building.

The heating of hot water in apartments with a common boiler room is ensured by individual electric storage water heaters with capacities of 125 liters and 80 liters. The restaurant on the ground floor of the building has its own gas boiler of the same brand.

Insulation of the Building:

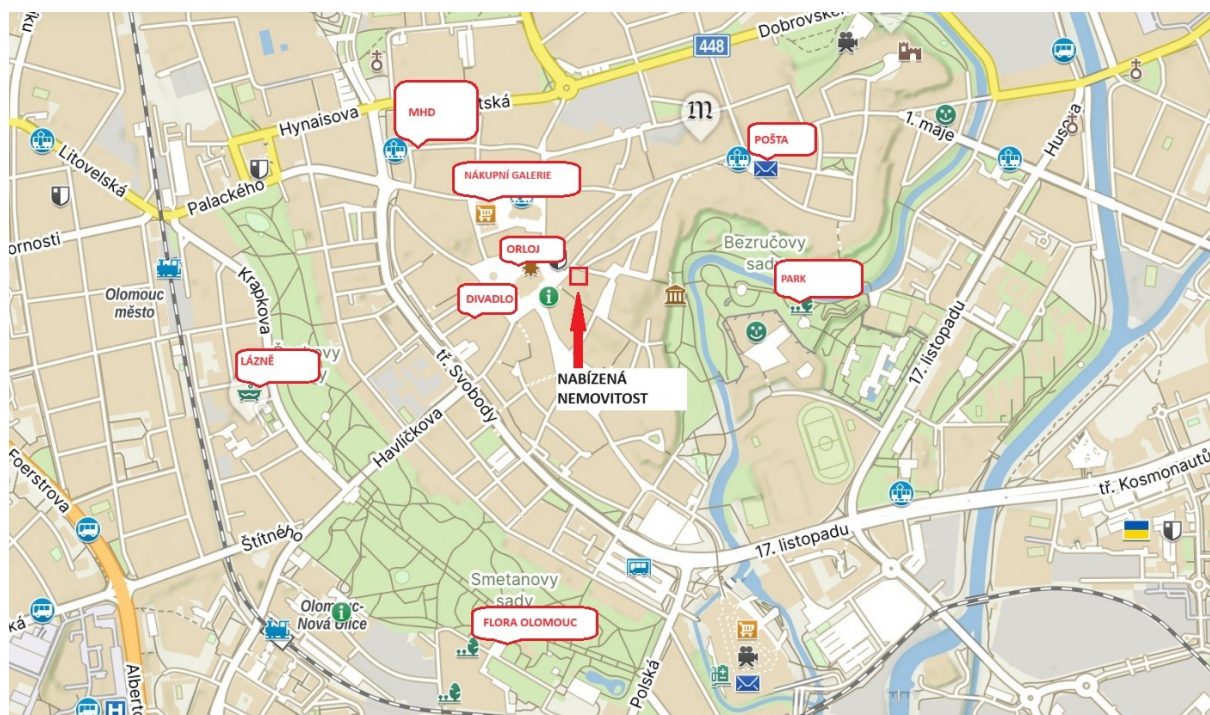
- The ceiling structures beneath the attic space are insulated in the ceiling with mineral wool insulation with a thickness of 240 mm.
- The masonry perimeter structures of the building are not insulated due to historical protection.
- In the attic apartment of the courtyard wing, the perimeter structures are insulated from the interior with an insulating partition wall with a thickness of 150 mm.

The property is not located in a flood zone.

Location and Amenities

The building is situated at the corner of Ztracená and Michalská streets in the historic center of Olomouc. This area is renowned for its rich history and cultural heritage. The proximity to key city landmarks, shops, and restaurants makes this property attractive for both residential and commercial use.

Olomouc is a statutory and university city in the Olomouc district, the sixth most populous city in the Czech Republic, and the center and regional capital of the Olomouc Region. It is also the metropolis of the Haná region and one of the two historical metropolises of all Moravia. Historically, it was also the center of the Olomouc duchy. The city covers an area of 10,336 hectares and has a population of approximately 102,000 inhabitants.



Address: Michalská 206/2, 779 00 Olomouc

GPS: GPS: 49°35'38.469"N, 17°15'10.193"E

History of the Building

Palace of the Podstatský Family from Prusinovice

The Palace of the Podstatský Family from Prusinovice is a historic building with a rich history dating back to the 18th century. It was originally built as a city palace for the noble Podstatský family from Prusinovice. This ancient noble family played a significant role in the history of Moravia and later allied with the Liechtenstein family, becoming known for their support of arts and culture.

Architecture

The palace is an exemplary Baroque building that was rebuilt in the mid-18th century. The three-story palace, with its main facade facing the square, is adorned with pilasters, cornices, and pediments, reflecting the wealth and importance of its owners. The ground floor is rusticated in a Neo-Renaissance style, and the windows are accentuated with segmental and triangular pediments.



Floor Plan and Layout of the Building

Floor Area and Layout of Individual Floors (Source of Measurements – Individual Floor Plans of the Building)

The built-up area of the building can be divided into the main building and two courtyard wings, one of which forms the street line of Michalská Street. Together, they create a "U" shaped floor plan with a courtyard in the center, from which the entrances to the residential parts of the building, restaurant facilities, and technical rooms are situated. The main entrance to the restaurant on the ground floor of the building is directly from Horní Square, while the entrance to the residential units is from Michalská Street. The entire building has a basement.

Floor Area and Layout of Individual Floors:

Flooe	Total floor area in m2	Comment
1.PP	160,05	
1.NP	437,51	Area excluding courtyard and passage
2.NP	440,36	Area excluding gallery
3.NP	541,53	Area excluding gallery, including mezzanines on the 4th floor (attic)
4.NP	379,3	Area excluding attic and gallery
Total	1958,75	

1.PP	Acreage/m2
Corridor	8,6
Technical room	8
WC - women	9
WC - men	11,8
Changing room - women	5
Changing room - men	7,3
Shower and WC	8,1
Storage 1	44
Storage 2	21
Storage 3	20,4
Total	143,2

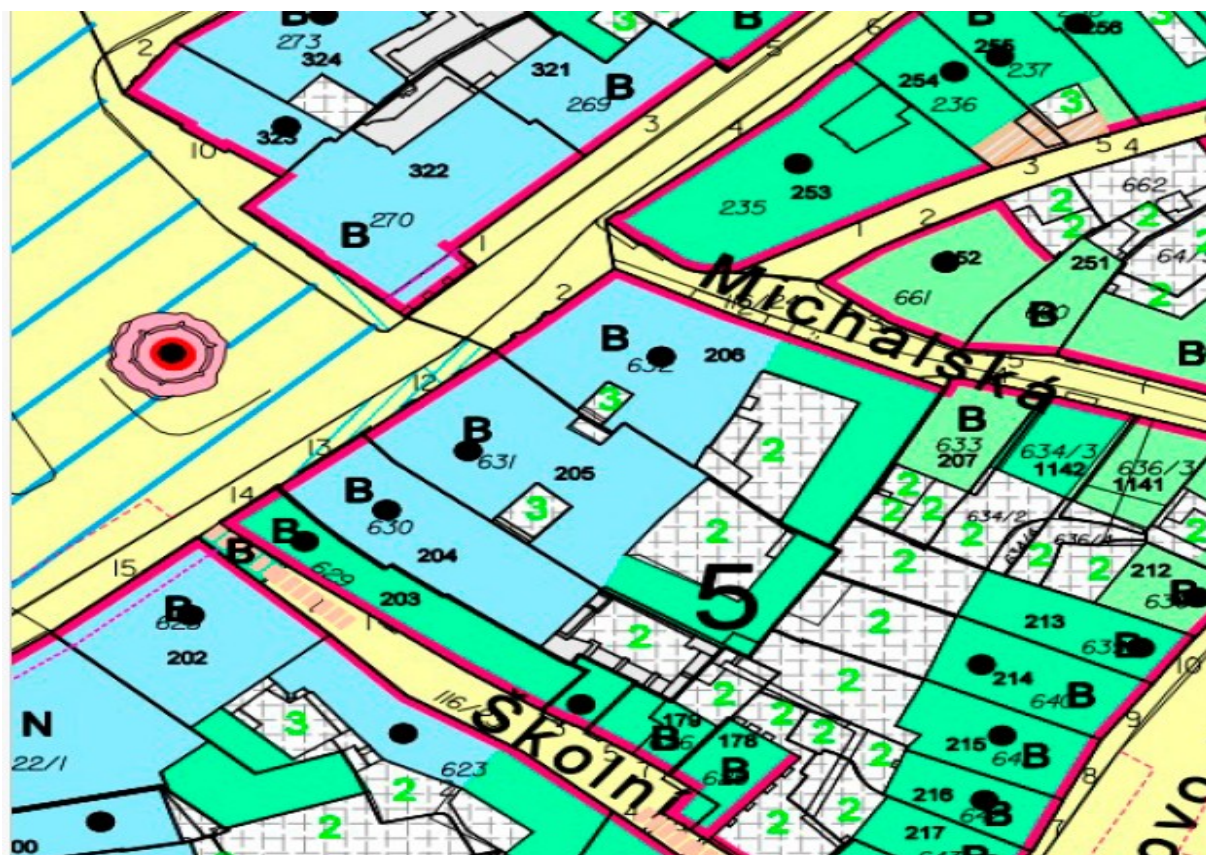
1.NP	Acrege/m2
Apartment No. 14 - 1+kk	28,49
Restaurant including facilities on the 1st floor	339,7
Cleaning room No. 114	3,4
Cleaning room No. 123	1,3
Seasonal storage	16,7
Waste storage	5,45
Storage for bicycles and strollers	10,43
Storage No. 120 A	10,61
Technical room No. 120 C	2
Total	416,08

2.NP	Acreage/m2
Apartment No. 1A - 3+kk	68,39
Apartment No. 1B - 2+kk	69,39
Apartment No. 1C - 2+kk	65,61
Apartment No. 2 - 2+1	71,6
Apartment No. 3 - 2+kk	48,6
Apartment No. 4 - 1+kk	32,4
Apartment No. 5 - 1+kk	38,3
Total	394,29

3.NP	Acreage/m2
Apartment No. 6A - 3+kk	71,48
Apartment No. 6B - 2+kk	69,61
Apartment No. 6C - 2+kk	70,41
Apartment No. 7 - 2+1	71,5
Apartment No. 8 - 2+1	55,2
Apartment No. 9 - 3+kk maisonette, area including space on the 4th floor	71,7
Apartment No. 10 - 3+kk maisonette, area including space on the 4th floor	89
Total	498,9

4.NP	Acreage/m2
Apartment No. 11- 3+kk	142,1
Apartment No. 12 - 4+kk	129,5
Apartment No. 13 - 2+kk	77
Total	348,6

Zoning Plan



Conditions for the Use of Areas with Different Uses:

Throughout the entire area, in accordance with the character of the area, requirements for the protection and development of values, and in line with harmonious scales and relationships in the landscape, terrain modifications can be made and plots, buildings, and facilities listed as main or permissible, or conditionally permissible, where compliance with specified conditions has been proven, can be placed.

Mixed Residential Areas (B):

Main use is not specified.

Permissible uses:

- a) Plots of family houses in locations with ensured noise protection.
- b) Plots of apartment buildings, where at least 70% of the required parking and stopping spaces are located within the building, in locations with ensured noise protection.
- c) Plots of multifunctional buildings with housing, where 20-50% of the gross floor area of the building is designated for permanent residence, a maximum of 600m² of gross floor area is designated for trade, and at least 50% of the required parking and stopping spaces are located within the building, in locations with ensured noise protection.

- d) Plots of watercourses and areas.
- e) Plots for erosion control, flood protection, and retention measures.
- f) Plots of transport and technical infrastructure resolved in accordance with the concept of the Zoning Plan. g) Plots of related transport and technical infrastructure.
- h) Plots of public spaces. i) Plots with permanent vegetation without primary economic importance, especially gardens, inner blocks with grown greenery, alleys along roads, dispersed greenery, ridges, hedges, USSES, etc.
- j) Plots of buildings and facilities of public amenities serving the needs of the area or in capacity proportionate to the potential of the given area and in accordance with its character. k) Plots of buildings and facilities for trade up to 600 m² of gross floor area, excluding sales stalls and car dealerships.
- l) Plots of buildings and facilities for non-disruptive services and catering serving the needs of the area or in capacity proportionate to the potential of the given area and in accordance with its character.
- m) Plots of buildings and facilities for administration, science and research, and accommodation in capacity proportionate to the potential of the given area and in accordance with its character, where at least 70% of the required parking and stopping spaces are located within the building.
- n) Plots of buildings and facilities of public amenities of citywide and supracity importance in the city center and along city streets resolved in accordance with the character of the area, where at least 70% of the required parking and stopping spaces are located within the building.
- o) Buildings and facilities of photovoltaic power plants situated on roofs or facades of buildings outside the area of the MPR Olomouc, OP MPR Olomouc, and OP NKP.
- p) Temporary buildings for tool sheds up to 5 m² of the built-up area of the building resolved in accordance with the character of the area on fenced plots used as gardens.

Conditionally permissible uses: The plots, buildings, or facilities listed below can be placed in the area provided it is proven that their solution, including meeting the requirements for static transport, is in accordance with the requirements for the protection of area values (see points 3.3. and 4.10.) and living comfort, does not negatively affect the landscape character, public health regarding noise conditions (including negative effects of vibrations) and air quality, and their solution and operation do not reduce the quality of the residential environment of the related area, do not endanger its values, and do not disproportionately increase traffic load in the residential area, especially in the given area:

- a) Plots of apartment buildings with outdoor parking equipped with grown greenery in locations with ensured noise protection.
- b) Plots of multifunctional buildings with housing, where the share of the floor area designated for permanent residence is less than 20%, and multifunctional buildings without housing.
- c) Plots of buildings and facilities for administration, science and research, and accommodation without the requirement to place the necessary parking and stopping spaces within the building.
- d) Plots of buildings and facilities for trade up to 2,500 m² of gross floor area of all objects of the plan, provided outdoor parking is equipped with a grid of grown greenery.

- e) Plots of buildings and facilities for trade over 2,500 m² of gross floor area designated for multi-storey buildings with necessary parking located at least 70% within the building and with outdoor parking equipped with a grid of grown greenery, provided their supply is led only through transport infrastructure areas.
- f) Plots of buildings and facilities for production in capacity proportionate to the potential of the given area and in accordance with its character.
- g) Plots of buildings and facilities for storage in capacity proportionate to the potential of the given area and in accordance with its character.
- h) Plots of gardening areas in capacity proportionate to the potential of the given area and in accordance with its character.
- i) Plots of fuel stations, unless their permissibility is excluded in the area for which use conditions have been specified in Attachment No. 1 (Table of Areas).
- j) Plots and buildings of collective garages for group 1 vehicles serving the needs of the residents and visitors of the adjacent area.
- k) Temporary sales stalls.
- l) Temporary buildings and facilities of car dealerships.
- m) Plots of buildings and facilities for motorist services (e.g., tire services, car services, car rentals) in capacity proportionate to the potential of the area and in accordance with its character.
- n) Temporary buildings and facilities for information, advertising, and promotion.
- o) Temporary buildings and construction site facilities for a maximum of 2 years.
- p) Plots of buildings and facilities for domestic animal husbandry in capacity proportionate to the potential of the given area and in accordance with its character, without disproportionate negative impact on neighboring plots.

Impermissible uses:

- a) Plots, buildings, and facilities not listed as main, permissible, or conditionally permissible uses, where compliance with specified conditions has not been proven.
- b) Plots of buildings and facilities not in accordance with the character of the area specified in point 4.10., especially plots of buildings and facilities for production and storage in capacity disproportionate to the potential of the given area.
- c) Plots of buildings and facilities not in accordance with the spatial arrangement conditions of areas specified in point 7.12. and Attachment No. 1 (Table of Areas).
- d) Fencing of plots that significantly limits passage through the area and disrupts the harmonious scale of the area.

****Compliance with the character of the area means that the plan must be assessed concerning the existing characteristics of the area, especially its urban structure, volume, and architectural design of buildings, the way buildings are used, and the character of public spaces. The subject plot is part of the historical core of the city, declared an urban conservation area, and its buildings and urban structure represent a primary urban and architectural value. The buildings consist of terraced houses with commercial frontages, with facades placed on the street line. The roofs of street wings are mostly gabled, while lower courtyard wings are covered with various types of roofs.**

Cadastral Map

