



## PRESS RELEASE

### Czech developer UDI Group is entering the American market and wants to invest 125 million euros

*Prague, March 30, 2022* – This is the most distant overseas investment of Czech development: originating from the Czech developer UDI Group, which plans to build apartment buildings in several Latin American countries. The investment in the first project in Costa Rica alone represents more than 15 million euros. In total, UDI Group wants to invest 125 million euros in Panama, Costa Rica or Colombia in the next four years. In all these markets, some Czech companies operate in individual projects, none of them has ever embarked on, planned, or implemented such a large development investment. In general the Latin America market is characterized by a very different legal environment, strong international competition, different standards and client demands, yet paradoxically easier, transparent and a better functioning business environment than in the domestic Czech market. This, in summary, is what development in Latin America looks like.



*„Latin America is a very open and fast-growing market. It is safe, as evidenced by the fact that there are a number of multinational companies operating in our field, but there are still plenty of opportunities,”* explained Marcela Fialková, Director of Strategy UDI Group, explaining the reasons for the significant territorial diversification of business. And why overseas?

*“In any case, we want to have a portfolio that is also diversified territorially, which is an advantage in the event of*

*an unexpected conflict or market decline in one of the regions. The war in Ukraine only confirmed this,”* she added.

According to her, the UDI Group team has been operating in Latin America for a year now, which fits very well into the group’s business model. *“We rely there, as well as in our other markets, on*

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#### **About us**

*The UDI Group is a Czech developer which implements residential, office and industrial projects in the Czech Republic and other countries in the European region. It focuses on complex projects that combine multiple features. It builds a real city that offers housing, facilities for work, and business including social amenities. It is currently preparing 17 projects in four European countries, with projected revenues of CZK 1,8 billion euros over the next five years.*



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*high-quality people with many years of experience, both locals and Czechs who have been working in the locality for many years," she emphasized.*

The group has a very positive reaction to the decision to diversify business outside Europe, both from local banks, which will finance the construction of projects, and from potential co-investors, whether from the Czech Republic or abroad. The return on equity is very fast on the market, within about three years of the initial investment. There is a great interest in the flats and some of them are sold before the start of construction.

The first acquisition the group made a few weeks ago is a plot of land near the centre of Costa Rican capital San Jose. It enables the construction of an apartment building with 15 floors and 120 apartments. *"We do not impulsively rush into high-rise construction, which is more demanding in terms of local standards. The limit for the first project was about 20 floors for us,"* Fialková explained. In the Costa Rican capital, the UDI Group is currently preparing a housing project on a plot very close to the city center in the Santa Teresita district with its universities and hospitals.

In Latin America, the group intends to build housing for both local clients and the rentier market, mainly from the USA. "We focused on what we are strong at, that is, housing for the middle and upper middle class. Apartments in Costa Rica will have around 50 to 80 m<sup>2</sup>. Latin American countries are very "Americanized", so the apartments must be designed for American washing machines and refrigerators, the house must have shafts for waste disposal, etc. and must include common areas. *„The gym and communal pool are absolutely minimal amenities,"* said Štěpán Svoboda, Director of the UDI Group for the Caribbean, about the requirements of the local market. According to him, there are also specific construction procedures in the region with regard to seismicity. On the other hand, there are also requirements that make construction cheaper than in Europe. For example, parking is common on the first few floors, not in the basement of the house, as is common in Europe. Due to the climate, there is also no need for insulation against weather changes.

### **Why Latin America?**

In addition to Latin America, UDI Group also plans to invest in Panama and possibly Colombia. The individual countries of Latin America differ from each other, for example in their degree of development. Costa Rica has caught on in tourism and is often seen as Central America's Switzerland. Panama is a very developed functioning market, which benefits from canal income with a very well-developed banking system. The capital city of Panama City is like the Dubai Of Central America. And Colombia? This is a huge market. Larger than France and Spain combined. Although it had a bad reputation in the past, it is evident and confirmed that the times of drug cartels and street murders are over. With this background you will find that it offers huge

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potential. They are developing rapidly and have the role of a tiger in the Latin American economy.” And what do all these countries have in common? Doing business, especially business in our development field, is much easier there than in our domestic market. „*We could say that, emerging resilient from the demanding conditions on the Czech market, we are not afraid to do business anywhere in the world,*“ Fialková remarked.

In addition to Costa Rica, the UDI Group currently operates in four Central European countries. It builds offices, flats and logistics in the Czech Republic, Poland, Hungary, Serbia and most recently in Latin America. The group is preparing new acquisitions in Western Europe and the Caribbean. It is currently working on 17 projects, the revenue of which is estimated at 1,8 billion euros in the next five years

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