

Czech Railways selling unnecessary properties

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Czech Railways (České dráhy - ČD) will sell warehouses, old railway houses and other unnecessary properties. In total it concerns 4,500 buildings and 14,000 plots. The carrier is looking for a strategic partner, who will mediate the sale, in a tender. Estimated contract value is CZK 90 million. Winner of the selection process will be announced in February. "We are looking for a consortium of companies consisting of renowned international real estate agencies and financial consulting and project management entities," Milan Matzenauer, ČD Deputy General Director for Asset Management, commented on the way ČD want to sell the properties. The real price of the real estate for sale will be set by a strategic partner who will emerge from a tender. This partner will also develop a sales strategy for unneeded assets and then carry out the sale. ČD claim that revenue from the sale will depend on the final level of negotiated prices. Sale of railway houses and other small assets, which ČD wants to execute immediately after the tender for agent, will take place through so-called "package sales". This is a method in which not individual buildings but particular number of buildings and plots are sold together. ČD thus avoids the situation where buyers select only the most lucrative property, and the rest then remains in the possession of ČD. German national carrier Deutsche Bahn recently got rid of its unneeded properties in the same way, Czech Railways reported.

The railway houses and other small structures are not the real problem for Czech Railways property management. The problem lies more in about 900 stops and stations which must be maintained, said Jaromír Pejša, chairman of the Railways Unions (OSŽ).

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