

Press Release

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Analysis: Prague should invest in transport and the “Smart City” project

For more than 90% of the expert public, the Prague ring road is a priority, on the other hand, the construction of a new Prague Metropolitan Authority building came last

Prague, 22 February – The completion of the inner city ring road, construction of a direct link from the city centre to the Václav Havel Airport or fulfilling the “Smart City” strategy are among the key investment plans that Prague should invest in. On the other hand, the acquisition of the Na Bulovce Hospital, construction of new houses at the Prague Zoo or a new Prague Metropolitan Authority building remain at the other extreme. These are the conclusions of Deloitte’s analysis of 25 investment plans that are most frequently mentioned by the media. It examined to what extent they are in accordance with the Strategic Plan of the Capital City of Prague. The analysis was accompanied by a survey among more than 800 experts.

“We have analysed 25 investment plans that the capital city of Prague considers realising by 2030 and we compared which projects are more necessary according to this plan, and which should not be prioritised,” explains Miroslav Linhart, director of Deloitte’s Real Estate Services department, adding: “The analysis is accompanied by a survey among the expert public; we were surprised by the number of participants it had. More than four times the usual number of participants took part in the survey, which indicates that Prague developments and its future are a centre of great interest.”

Key areas of interest are the city ring road and direct link to the airport

The results of Deloitte’s analysis and the expert survey reveal the importance of investments in transport infrastructure. In terms of the further development of Prague and the fulfilling of the Strategic Plan, which was approved in late 2016, this area certainly includes key projects. Aside from the completion of the inner city ring road, priorities include the construction of a direct link from the centre to the Václav Havel Airport.

“Transport is probably what has the greatest impact on life in the city. Objectively speaking, Prague also has an essential debt in this area and in conjunction with the growth in the number of inhabitants and the economic power of the city, transport will be the Achilles’ heel of Prague’s further development,” clarifies Michal Melč, senior manager in Deloitte’s Real Estate Services department.

Deloitte indicates that essential investment plans also include the "Smart City" project. *"Our opinion on this priority differs the most from the one held by the expert public, which is probably caused by the public's unclear idea about the contents of this term and the meaning of this agenda for the future development and administration of the city,"* Miroslav Linhart explains. *"But it is in fact a necessary part of life in any large city. The aim of the initiative is to render the provision of services more effective and to use innovative ideas to look for new ways to improve the life of Prague's citizens."*

Prague can do without a new Municipal Authority building and new ZOO houses

In terms of importance, last place in the imaginary ranking goes to the construction of a new Prague Municipal Authority building. *"A new building does not bring significant value with respect to the future of the local administration, in the context of the digitisation of services and the Smart City agenda. From the perspective of certain priorities, the current building and locality can actually be more beneficial and significant. A city of short distances, an integrated city, community life, but also a living city – the current placement of buildings meets all these criteria,"* says Michal Melč. It is precisely this project that ended last in the expert public's assessment.

The two other investment plans with the lowest ranking are the construction of new houses at the Prague ZOO and the acquisition of the Na Bulovce hospital. *"The Prague ZOO and its developments are evaluated as an insignificant investment in terms of the strategic 2030 priorities of the capital city of Prague. The Na Bulovce Hospital does not currently require factual acquisition. It is merely a political decision that should have no significant impact on the functioning of the facility or the life of the inhabitants,"* adds Miroslav Linhart.

PRIMARY FINDINGS OF THE "PRAGUE 2030 – INVESTMENT PLANS" STUDY

Deloitte: 5 plans that should be prioritised with respect to the long-term development of Prague:

- Completion of the inner city ring road;
- Construction of a direct link to the Václav Havel Airport Prague;
- Smart City;
- Completion of the outer Prague ring road; and
- Building of the new metro line D.

Investments that do not bring significant new value beyond the current state (their realisation should be subject to a separate analysis):

- Construction of a new Prague Metropolitan Authority building;
- Construction of new houses at the Prague ZOO; and
- Acquisition of the Na Bulovce hospital.

Voting of the expert public: Results of the survey among 823 respondents

Which investment plans does Prague need the most? What should be its priority?

- Completion of the outer Prague ring road (93.9%);
- Completion of the inner city ring road (75.5%);
- Construction of new park-and-ride lots (73.4%);
- Modernisation of the Central Wastewater Treatment Plant (64.5%); and
- Construction of the new Metro line "D"(61.6%).

Least beneficial plans:

- Construction of a new Prague Metropolitan Authority building (1.7%);
- Construction of new houses at the Prague ZOO (4.6%); and
- Acquisition of the Na Bulovce hospital (5.1%).

About the "Prague 2030 – Investment Plans" analysis

Deloitte selected 25 of the most frequently mentioned plans and analysed to what extent they are in line with the Strategic Plan that the capital city of Prague approved in late 2016. The purpose was to discover if these plans correspond to the vision of the capital city and how they contribute to its realisation. The primary ambition of the "Prague 2030 – Investment Plans" analysis is to continue the debate on the development of the capital city. Along with the analysis of the 25 investment plans, Deloitte also performed a questionnaire survey among the expert public in January 2017. 823 respondents participated in the survey.

Do you want to find out more? Further information is available [here](#).

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