






## Market report 2025/2026 · Prague

RESIDENTIAL & COMMERCIAL INVESTMENT

## Prague | Czech Republic

|   |   |   |   |
|---|---|---|---|
|  |  |  |  |
| <b>1 394 435</b>  | <b>18 667 EUR</b>   | <b>3 700 - 4 900 EUR/sqm</b>  | <b>15 - 27 EUR/sqm</b>  |
| Population Prague<br>+0,7 % (03/2025)   | Prague purchasing power per capita<br>(national index 132,3 – year 2024)          | Price margin 2025<br>(good location)  | Rental price margin 2025<br>(good location)   |

### The Current Prague Real Estate Market

After several years of a challenging and at times turbulent economic environment, the real estate market has gradually stabilized. Financing conditions, construction material and labor costs, as well as the labor market, are not yet ideal, but they continue to improve. The same applies to interest rates, inflation, and energy prices. The year 2025 therefore brings positive developments across all segments of the Prague real estate market.

The residential market has stabilized, showing strong demand and a clear willingness of buyers to invest. Interest rates continue to decline, mortgage financing is improving, and larger apartments (3-bedroom units) are gaining popularity at the expense of smaller investment units. Buyers are more demanding and carefully evaluate both the technical and legal condition of properties.

In the rental housing market, prices remained stable in the first half of the year, with a growing preference for energy-efficient apartments. In the second half of the year, we expect a moderate increase in rents driven by stronger demand, the return of foreign workers, and overall confidence in the economy. Given the persistently high property prices and limited mortgage availability, renting remains attractive, especially for young people, foreigners, and people who frequently relocate for work.

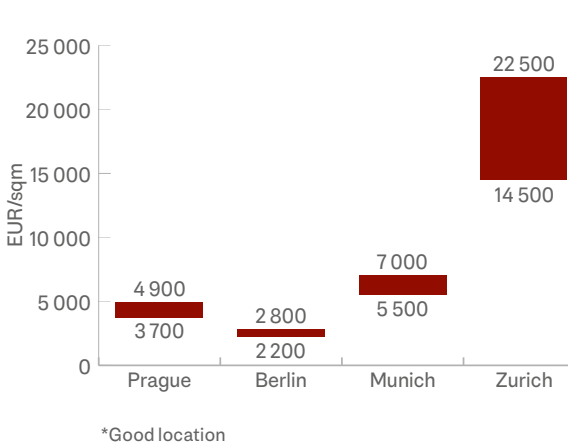
The commercial sales segment is reviving, mainly due to lower CNB rates (with the repo rate at 3.5% as of May 9, 2025) and market stabilization. Prices of multi-tenant houses

rose by 10–15% year-on-year, and some investors achieved margins of up to 30% on resales. The most active buyers are smaller developers. Stable construction material costs are also boosting interest in development projects, with a slight price increase expected in the next 12 months.

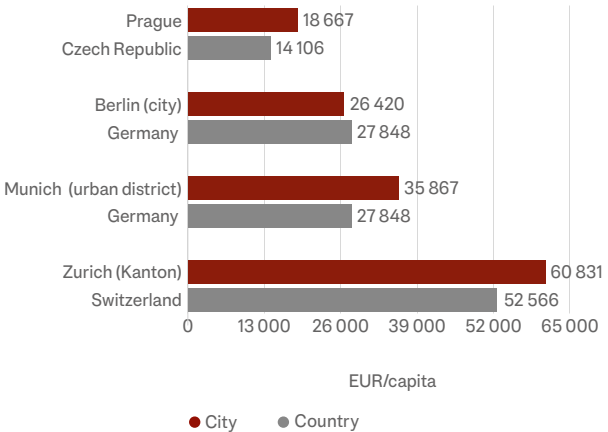
In commercial rentals, a key trend is the shortage of new office space, which is pushing rents upward. The vacancy rate has dropped to 7% and is expected to fall further. Premium spaces in multi-tenant houses in the wider city center are increasingly sought after. The growing emphasis on ESG and quality of the work environment favors well-renovated properties. The retail and gastronomy segments are experiencing a strong recovery, especially in city centers and tourist-attractive locations.

Future developments will, as always, depend on the overall stability of the global, European, and Czech environments as well as the economic system. What remains certain is that the long-term shortage of apartments and other investment properties, the growing population of Prague, and the demand for stable investments continue to secure market continuity. Compared to cities such as Munich, Vienna, or Zurich, Prague still offers significant potential for price growth and purchasing power per capita. If you are planning to make important real estate decisions, we always recommend considering your current personal situation and relying on a high-quality analysis of both the specific property and the market as a whole. Our teams of real estate specialists are here to support you.

Price margin of residential investment Q2/2025\*

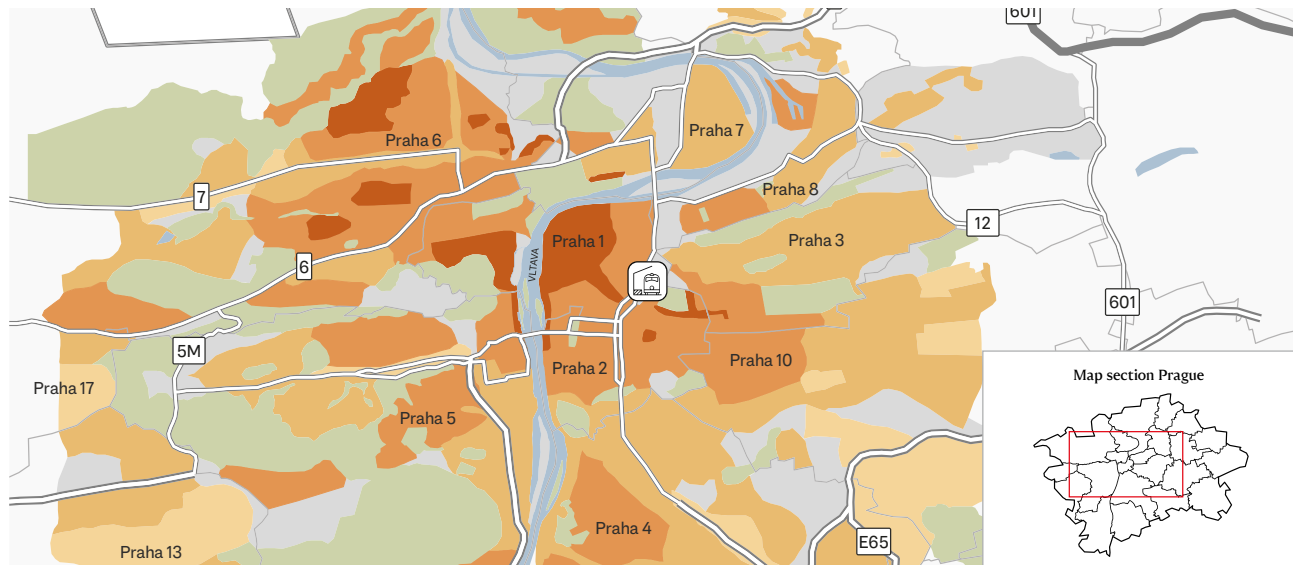


Purchasing power in 2024:





## Prague - location and initial gross yields of residential investment (multi-tenant houses)



|                                   |                                  |                                     |                                   |                   |          |              |
|-----------------------------------|----------------------------------|-------------------------------------|-----------------------------------|-------------------|----------|--------------|
| ◆ Prime location<br>2,3 % - 4,1 % | ◆ Good location<br>3,0 % - 4,6 % | ◆ Average location<br>3,7 % - 5,1 % | ◆ Basic location<br>4,3 % - 5,3 % | ◆ Commercial area | ◆ Waters | ◆ Green area |
|-----------------------------------|----------------------------------|-------------------------------------|-----------------------------------|-------------------|----------|--------------|

## Prices and rents of residential investment in Prague

|                   |   | 2023          | 2024          | 2025          | Trend |
|-------------------|---|---------------|---------------|---------------|-------|
| Rents in EUR/sqm  | ◆ | 17 – 34       | 18 – 35       | 18 – 35       | →     |
|                   | ◆ | 14 – 26       | 15 – 27       | 15 – 27       | →     |
|                   | ◆ | 13 – 21       | 14 – 22       | 14 – 22       | →     |
|                   | ◆ | 11 – 16       | 12 – 17       | 12 – 17       | →     |
| Prices in EUR/sqm | ◆ | 3 800 – 7 500 | 3 800 – 7 500 | 4 400 – 9 900 | →     |
|                   | ◆ | 3 000 – 4 200 | 3 000 – 4 500 | 3 700 – 4 900 | →     |
|                   | ◆ | 2 400 – 3 300 | 2 400 – 3 500 | 3 000 – 3 900 | →     |
|                   | ◆ | 2 100 – 2 800 | 2 100 – 2 900 | 2 600 – 3 300 | →     |



Ing. Lukáš Křenek

Head of Residential and Commercial Investment

After a downturn in 2022-2023, the multi-tenant houses and Commercial buildings market experienced a strong recovery at the end of 2024 and particularly in the first half of 2025. This rebound has been strongly supported by further interest rate reductions of the Czech National Bank, with the two-week repo rate set at 3.5% as of May 9, 2025. We observe that prices per square meter of multi-tenant houses in Prague have increased year-on-year by 10-15%, approaching the prices per square meter of individual residential units in these buildings designed

for individual sale. Some investors who purchased in 2023 have successfully resold properties in 2025 with margins of up to 30%.

The current period therefore appears favorable even for selling, with a market atmosphere reminiscent of 2021. The strongest demand for multi-tenant houses comes from smaller developers, while long-term investors holding properties primarily for rental income remain less active. However, given the positive economic outlook and lower interest rates, we expect an increase in demand from holders as well.

Development projects have also regained momentum. With a stability returning to construction material costs and the real estate market in general, developer interest is driving prices upward. Consequently, we anticipate moderate, consistent growth over the next 12 months, provided that the Czech National Bank maintains its positive and supportive monetary policy and the overall economic conditions remain favorable.

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