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COMMERCIAL

Market Report 2026/2027 · Prague

RESIDENTIAL & COMMERCIAL INVESTMENT

Prague | Czech Republic

1 405 551
Population Prague +0,80 %
(Y-on-Y to 03/2026)

20 503 EUR
Prague purchasing power per capita
(national index 128,7 – year 2025)

4 200 - 5 300 EUR/sqm
Price range H1/2026
(good location)

15,5 - 20 EUR/sqm
Rental price range H1/2026
(good location)

The Current Prague Real Estate Market

We continue to navigate an environment that alternates between challenging and turbulent. Nevertheless, the real estate market remains relatively stable. While financing conditions, inflation rates, construction costs, and the labor market are not yet ideal, they show consistency—providing a solid framework for both economic and personal decisions. As a result, 2026 brings predominantly positive momentum to the Prague real estate market, with each segment displaying its own distinct dynamics

The residential market continues to experience price growth despite a mild slowdown in the spring of 2026. Mortgage rates have risen toward 5%, and an increasing supply of apartments is giving buyers room to negotiate. Demand is shifting toward larger apartments (4-room units), while interest in 3-room units is currently at its lowest. Buyers thoroughly evaluate both the technical and legal condition of properties. The outlook remains positive, with a focus on high-quality properties in good locations.

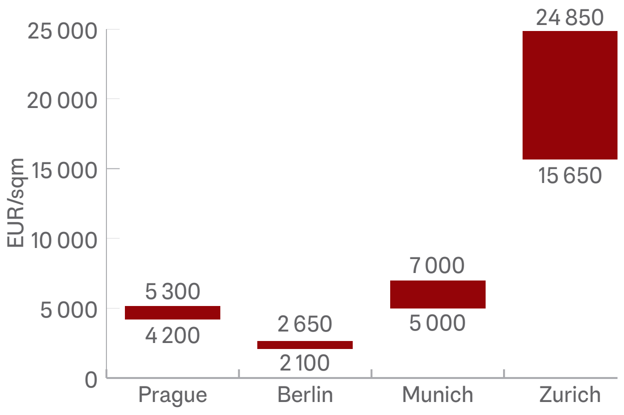
The Prague rental housing market is stabilizing in 2026. Despite strong demand, average prices are declining slightly. Tenants prefer smaller, energy-efficient apartments. Expensive owner-occupied housing and higher mortgage rates continue to drive interest in rentals, particularly among young people, foreigners, and professionals who frequently relocate for work. Premium new developments and efficient small-format apartments maintain their value firmly, while the rest of the market undergoes a price correction.

The multi-tenant houses and commercial real estate segment has stabilized in 2026 following record growth, with prices now tracking inflation. In June 2026, the Czech National Bank raised its repo rate to 3.75%. Premium properties and multi-tenant houses awaiting renovation maintain their value. The highest demand is for multi-tenant houses dominated by smaller units up to 50 sq.m and for development projects. For the next 12 months, a stable market with moderate growth is expected, provided no external risks intervene.

The commercial rental market in 2026 is becoming significantly polarized. Strong demand is directed toward modern Class A office space (meeting high standards and ESG criteria), hotels, healthcare facilities, and high street retail locations in the city center, including gastronomy businesses. Conversely, older offices face stagnation and price pressure. Thus, rental success is fundamentally determined by high property quality, energy efficiency, and a prime location.

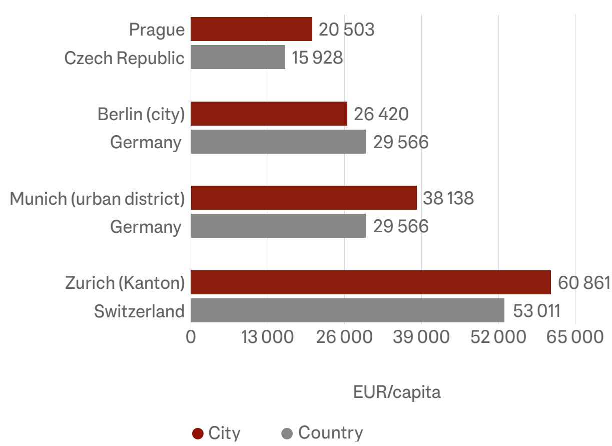
Future developments will, as always, depend on the overall stability of the global, European, and Czech economic and institutional environments. However, the long-term shortage of properties, Prague's growing population, and strong demand for stable investments secure market continuity. Compared to cities such as Munich, Vienna, or Zurich, Prague still offers significant potential for growth in real estate prices and purchasing power per capita. When making key real estate decisions, always consider your personal situation and rely on thorough property and market analysis. Our specialist teams in **Prague, Pilsen, and Brno** are here to support you.

Price range of residential investment H1/2026 (EUR/sqm)*



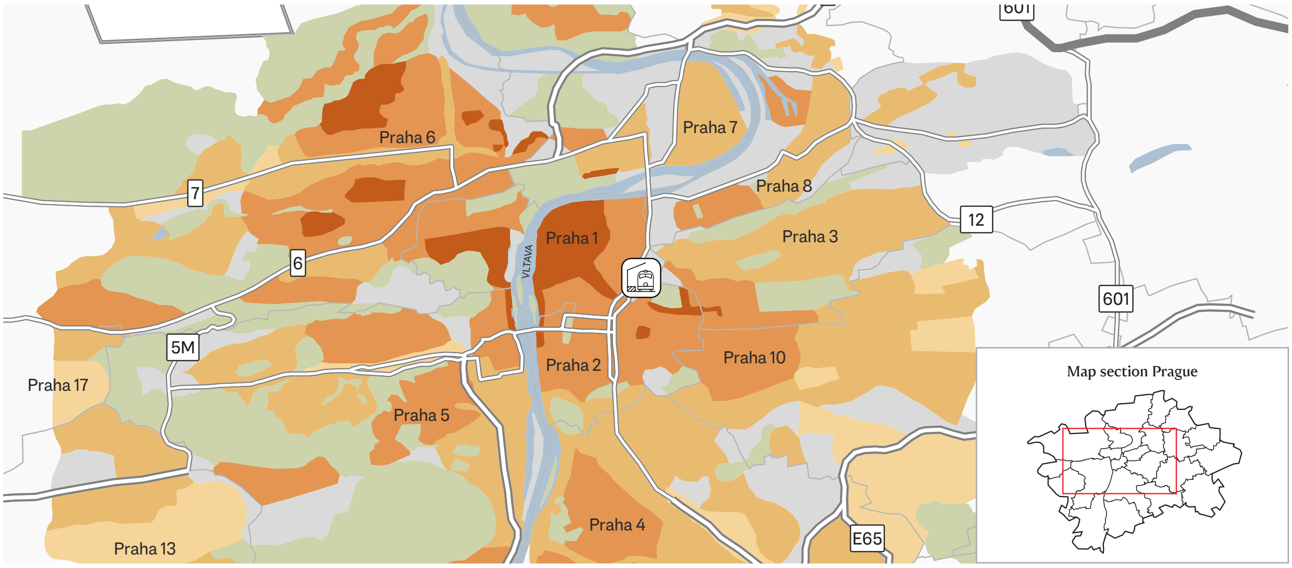
*Good location

Purchasing power in 2025 (EUR/capacita):



Source: Engel & Völkers, ČSÚ, ČNB, NIQ Geomarketing by GfK, VALUE Marktdatenbank, Kurzy.cz, PRF, Google (Gemini) accessed June-August 2026

Prague - Average Annual Gross Rental Yields of Residential Investment (Multi-Tenant Houses) by Location



◆ Prime location 2,2 % - 4,0 %
◆ Good location 2,9 % - 4,5 %
◆ Average location 3,5 % - 4,9 %
◆ Basic location 4,0 % - 5,2 %
◆ Commercial area
◆ Waters
◆ Green area

Prices and rents of residential investment (multi-tenant houses) in Prague

		2024	2025	H1/2026	Trend
Rents in EUR/sqm	◆	17 – 34	18 – 35	18,5 – 28	→
	◆	14 – 26	15 – 27	15,5 – 20	→
	◆	13 – 21	14 – 22	15 – 19	→
	◆	11 – 16	12 – 17	13 – 18	→
Prices in EUR/sqm	◆	3 800 – 7 500	4 400 – 9 900	5 100 – 10 500	→
	◆	3 000 – 4 500	3 700 – 4 900	4 200 – 5 300	→
	◆	2 400 – 3 500	3 000 – 3 900	3 600 – 4 400	→
	◆	2 100 – 2 900	2 600 – 3 300	3 100 – 3 900	→

Ing. Lukáš Křenek

Head of Residential and Commercial Investment

Following rapid growth and reaching historic highs in the third quarter of 2025—when prices rose by 10–15% year-on-year, surpassing the record figures from late 2021 and Q1 2022—the multi-tenant houses and commercial buildings real estate market stabilized in 2026. Last year's dynamic performance has given way to a period of consolidation, with prices now advancing at a modest pace that largely tracks general inflation. This cooling has also been supported by the Czech National Bank (CNB), which slightly tightened monetary policy effective June 19, 2026, raising the two-week repo rate to 3.75%.

We observe that prime properties in top locations continue to firmly hold their value. Counterintuitively, the multi-tenant houses (apartment buildings) awaiting renovation are also commanding high prices, despite elevated construction costs. Demand remains highest for the multi-tenant houses featuring predominantly smaller units (under 50 sq m), which allow for flexible rentals or unit-by-unit sales without the need for lengthy building permits. Conversely, properties requiring complex approval (permitting) processes are lagging behind in price. Meanwhile, strong interest in development projects has fully returned to the market.

Over the next 12 months, we anticipate a stable market with potential for only modest growth, provided that geopolitical risks and global inflationary pressures do not adversely affect the situation.

Source: Engel & Völkers**

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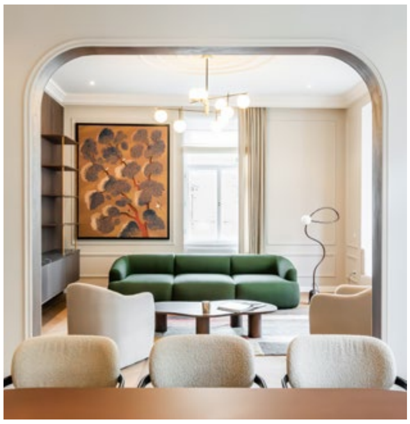

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All information has been compiled with the greatest possible care. The provided information regarding the site and market development refers to: Population (31.03.2026, ČSÚ), purchasing power (2025 NIQ Geomarketing by GfK), and other stated sources. We cannot accept any liability for the accuracy and completeness of this information. We shall not be held responsible for damage of any kind whatsoever incurred either directly or indirectly through the use of this information, with the exeption of liability for intent or gross negligence. Last update of information and data published: August 2026. Duplication is permitted only with reference to source.
Source: Engel & Völkers Residential GmbH (Engel & Völkers), Engel Völkers Commercial GmbH (Engel & Völkers)
**EUR/CZK, CHF/CZK, EUR/CHF exchange rates for 2024 and 2025: Full-year average CNB exchange rate. Figures are rounded.
EUR/CZK, CHF/CZK, EUR/CHF exchange rates for: First half-year (H1) average CNB exchange rates. Figures are rounded.

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