ENGEL&VÖLKERS

Market Report 2026/2027 · Prague

RESIDENTIAL REAL ESTATE | SALES

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)

6 600 – 9 900 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.

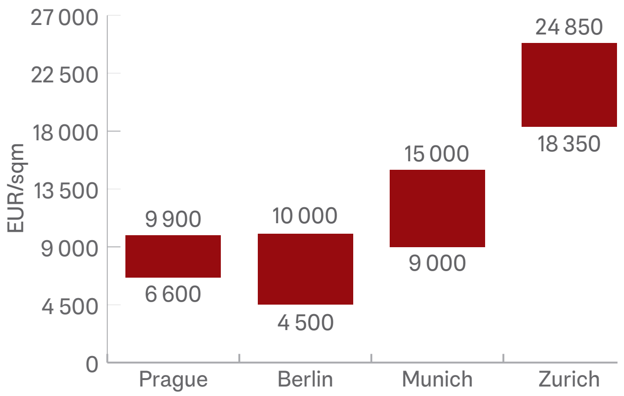
The Prague rental housing market is stabilizing in 2026. Despite strong demand, average prices are declining slightly. Tenants prefer smaller, energy-efficient apartments. Expensive owner-occupied housing and higher mortgage rates continue to drive interest in rentals, particularly among young people, 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.

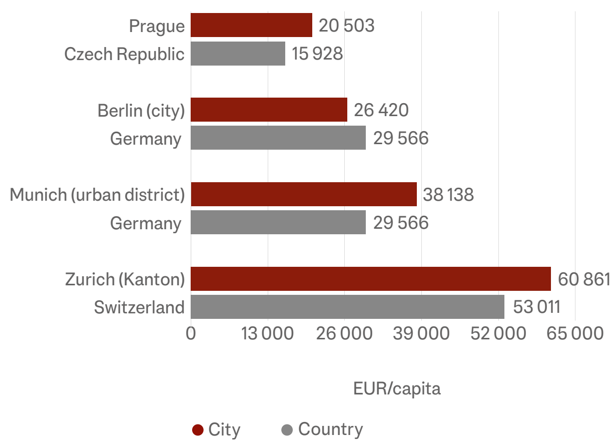
Future developments will, as always, depend on the overall stability of the global, European, and Czech economic and institutional environments. However, the long-term shortage of properties, Prague's growing population, and strong demand for stable investments secure market continuity. Compared to cities 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 flats in good location H1/2026 (EUR/sqm)*



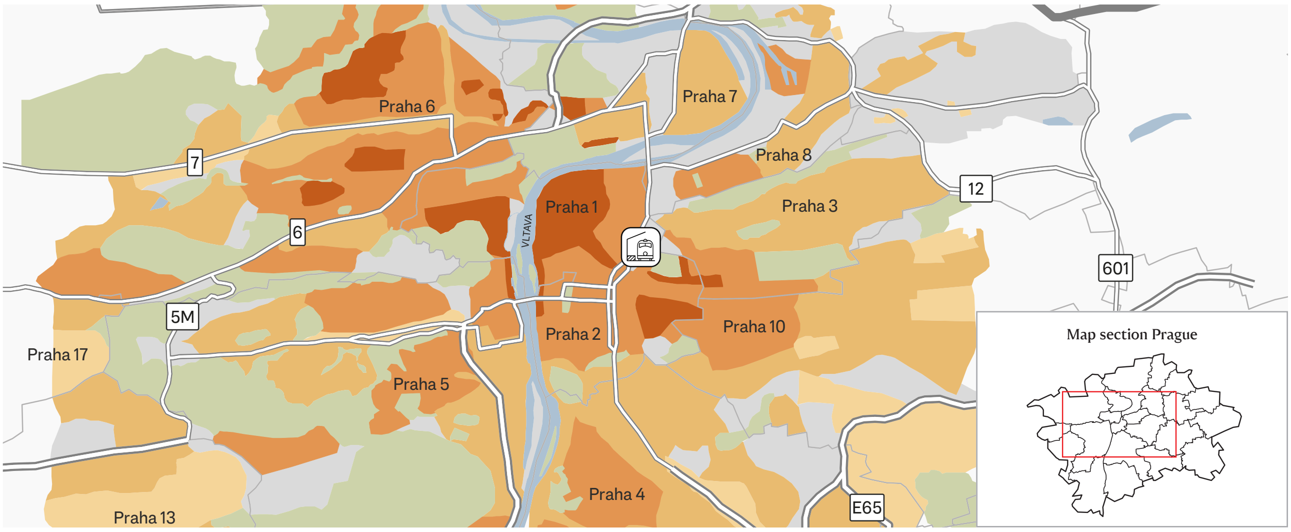
*Good location

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 Residental Properties by Location



Prime location 1,9 % - 3,2% | Good location 2,2 % - 3,4 % | Average location 3,5 % - 4,1 % | Basic location 3,8 % - 4,2 % | Commercial area | Waters | Green area

Prices and rents of residential real estate 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		7 800 – 18 000	8 400 – 18 000	9 450 – 18 500	→
		5 000 – 9 000	6 000 – 9 000	6 600 – 9 900	→
		4 000 – 6 000	5 000 – 6 500	5 350 – 7 000	→
		3 800 – 5 000	4 000 – 5 500	4 500 – 5 750	→

Mgr. Barbora Kubíková

Head of Residential Sales Engel & Völkers Prague

The beginning of the year was characterized by strong demand and a high willingness among buyers to invest, creating a favorable environment for both sellers and investors.

During the spring, the pace of growth slowed slightly due to a combination of several factors. Conditions for financing investment apartments changed, and at the same time, the trend in mortgage loans reversed – average mortgage rates rose from around 4–4.5% to approximately 4.8%, with bank offer rates exceeding the 5% threshold. Furthermore, market supply is gradually expanding with a growing number of available apartments, giving buyers greater scope for selection and price negotiation.

We are noticing a significant shift in buyer preferences. Strong interest is directed toward larger apartments, particularly 4-room apartments (4+kt layouts), while medium-sized 3-room apartments (3+kt layouts) currently see the lowest demand. The decisive criteria remain location and space efficiency – specifically the ratio between layout and usable floor area of the property.

The trend of increasingly informed and discerning buyers also continues. Thanks to easily accessible information, prospective buyers thoroughly examine properties from both technical and legal perspectives, approaching decisions with deliberation and market knowledge.

Despite the spring slowdown, the outlook for owners and investors remains positive. We continue to observe strong, sustained demand for quality properties in desirable locations, alongside a more balanced supply-and-demand ratio across the entire market. In response to these factors, we anticipate price stabilization, or potentially a slight decrease in prices.

Source: Engel & Völkers**

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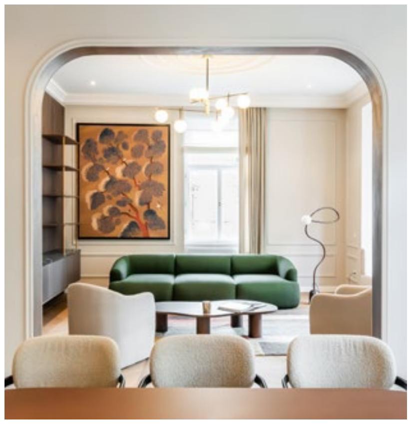

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All information has been compiled with the greatest possible care. The provided information regarding the site and market development refers to: Population (31.03.2026, ČSÚ), purchasing power (2025 NIQ Geomarketing by GfK), and other stated sources. 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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