



Market report 2025/2026 • Prague

RESIDENTIAL REAL ESTATE | SALES



Prague | Czech Republic

			
1 394 435	18 667 EUR	6 000 - 9 000 EUR/sqm	15 - 27 EUR/sqm
Population Prague +0,70 % (03/2025)	Prague purchasing power per capita (national index 132,3 – year 2024)	Price margin 2025 (good location)	Rental price margin 2025 (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.

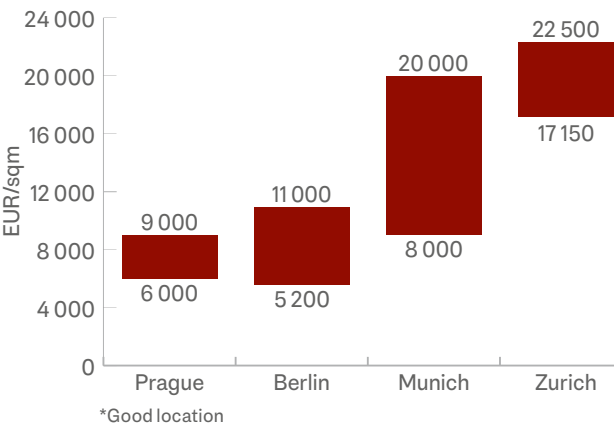
The commercial sales segment is reviving, mainly due to lower CNB rates (with the repo rate at 3.5% as of May 9, 2025) and market stabilization. Prices of multi-tenant houses

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.

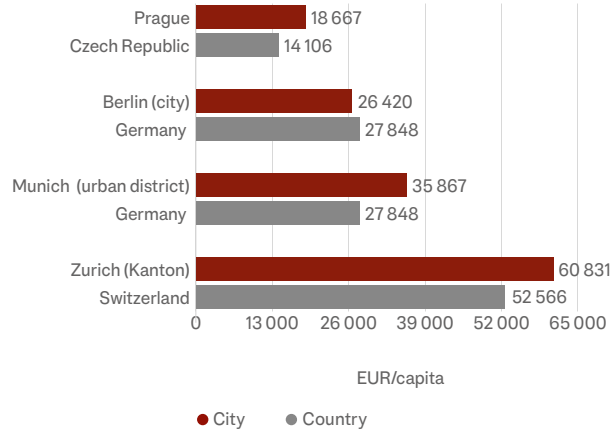
In commercial rentals, a key trend is the shortage of new office space, which is pushing rents upward. The vacancy rate has dropped to 7% and is expected to fall further. Premium spaces in multi-tenant houses in the wider city center are increasingly sought after. The growing emphasis on ESG and quality 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.

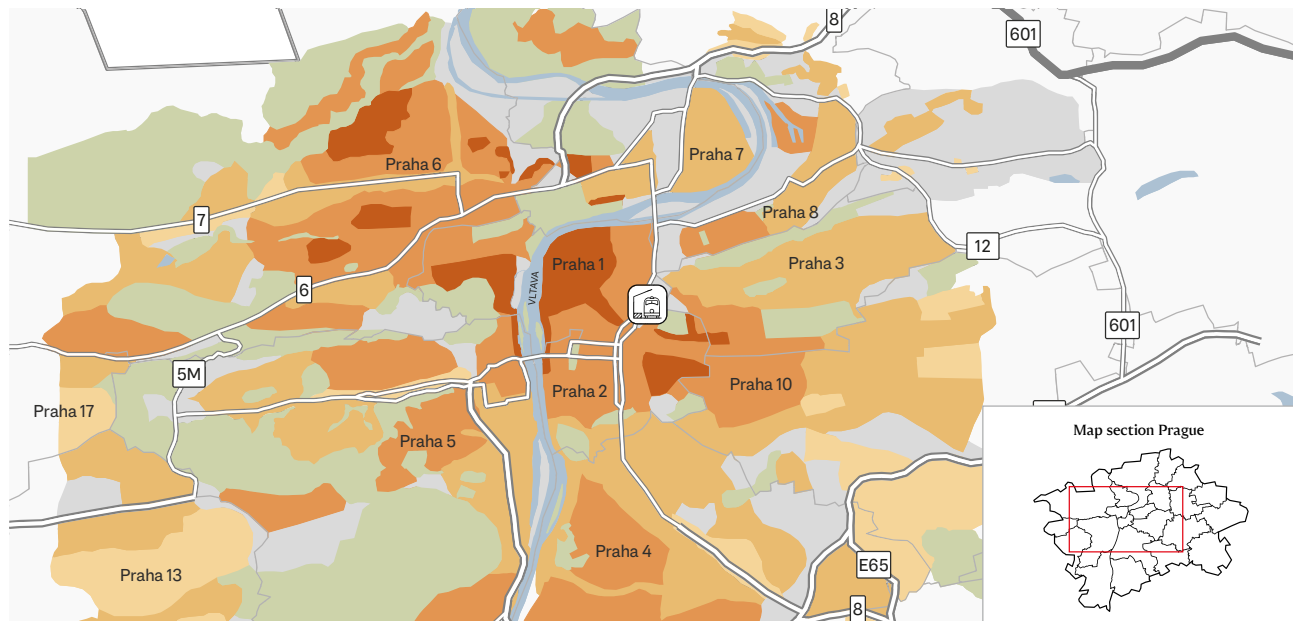
Price margin of flats in good location Q2/2025*



Purchasing power in 2024:



Prague - location and selling prices of residential real estate



◆ Prime location 2,1% - 3,5%	◆ Good location 2,5% - 3,8%	◆ Average location 3,5% - 4,1%	◆ Basic location 3,8% - 4,2%	◆ Commercial area	◆ Waters	◆ Green area
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Prices and rents of residential real estate 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	◆	6 000 – 17 500	7 800 – 18 000	8 400 – 18 000	→
	◆	4 600 – 9 000	5 000 – 9 000	6 000 – 9 000	→
	◆	3 600 – 6 200	4 000 – 6 000	5 000 – 6 500	→
	◆	3 200 – 5 300	3 800 – 5 000	4 000 – 5 500	→



Mgr. Barbora Kubíková

Head of Residential Sales Engel & Völkers Prague

The residential real estate market in 2025 shows strong stability, high activity, and price levels surpassing those of 2021–2022. We observe a strong demand and a willingness among buyers to invest, creating a motivating and favorable environment for investors.

Over the past year, the Czech National Bank has gradually lowered interest rates, which traditionally has a positive effect on the real estate market as a whole. While mortgage rates in 2024 fluctuated between 5.65% at the

beginning of the year and 4.5% at the end, they have now settled slightly above 4%. In addition, 100% financing is reappearing on the market, and in most cases, bank valuations are in line with market prices.

It is also noteworthy that buyer interest has shifted more toward 3-room apartments (3+kt), which in attractive locations with good infrastructure and amenities now command higher prices than the previously sought-after investment or starter 2-room apartments (2+kt). The trend of having more rooms within the same floor area is particularly strong in light of rising prices. At the same time, we are seeing an increasing level of buyer awareness and discernment, with thorough technical and legal due diligence becoming standard practice.

From the perspective of property owners and investors, the outlook for the coming year remains optimistic. We expect a slight but steady increase in both property prices and the number of completed transactions on the market.

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All information has been compiled with the greatest possible care. The provided information regarding the site and market development refer to: Population (31.03.2025, ČSÚ), purchasing power (2024 GfK An NIQ Company). 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 exception of liability for intent or gross negligence. Last update of information and data published: August 2025. Duplication only with reference to source. Source: Engel & Völkers Residential GmbH

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