

# ENGEL & VÖLKERS

COMMERCIAL



## Market report 2025/2026 · Prague

COMMERCIAL SPACE | RENT

## Prague | Czech Republic



### 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.

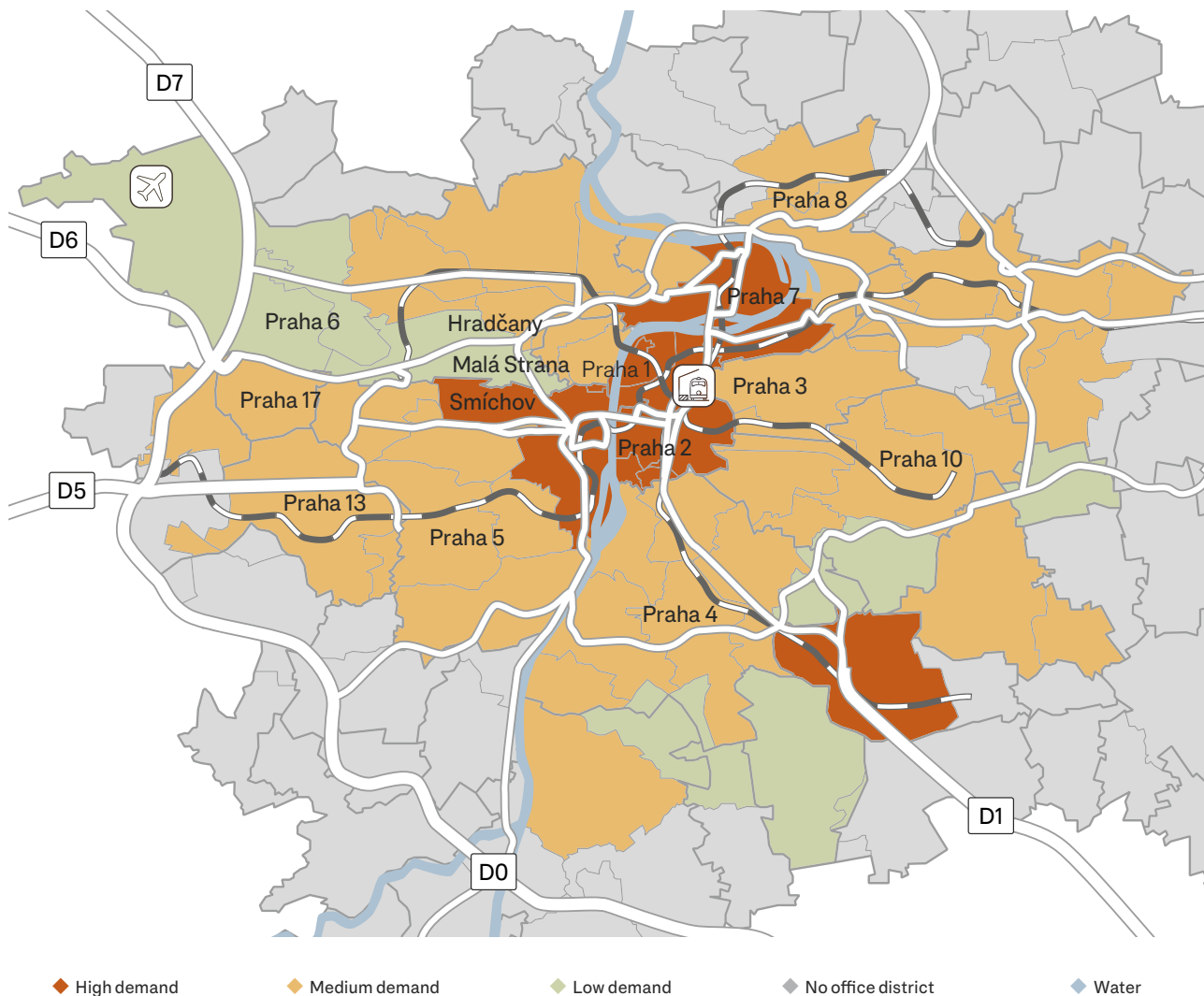
In commercial rentals, a key trend is the shortage of new office space, which is pushing rents upward. The vacancy rate has dropped to 7% and is expected to fall further. Premium spaces in multi-tenant houses in the wider city center are increasingly sought after. The growing emphasis on ESG and quality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

# Office space

				
<b>110 000 sqm</b>	<b>30 EUR/sqm</b>	<b>6 600 sqm</b>	<b>3,94 Mio/sqm</b>	<b>6,57 %</b>
Take-up (Q2/2025)	Prime rent (Q2/2025)	Office space completion (Q1-Q2/2025)	Office stock (Q2/2025)	Vacancy rate (Q2/2025)

## Prague - Demand for office space



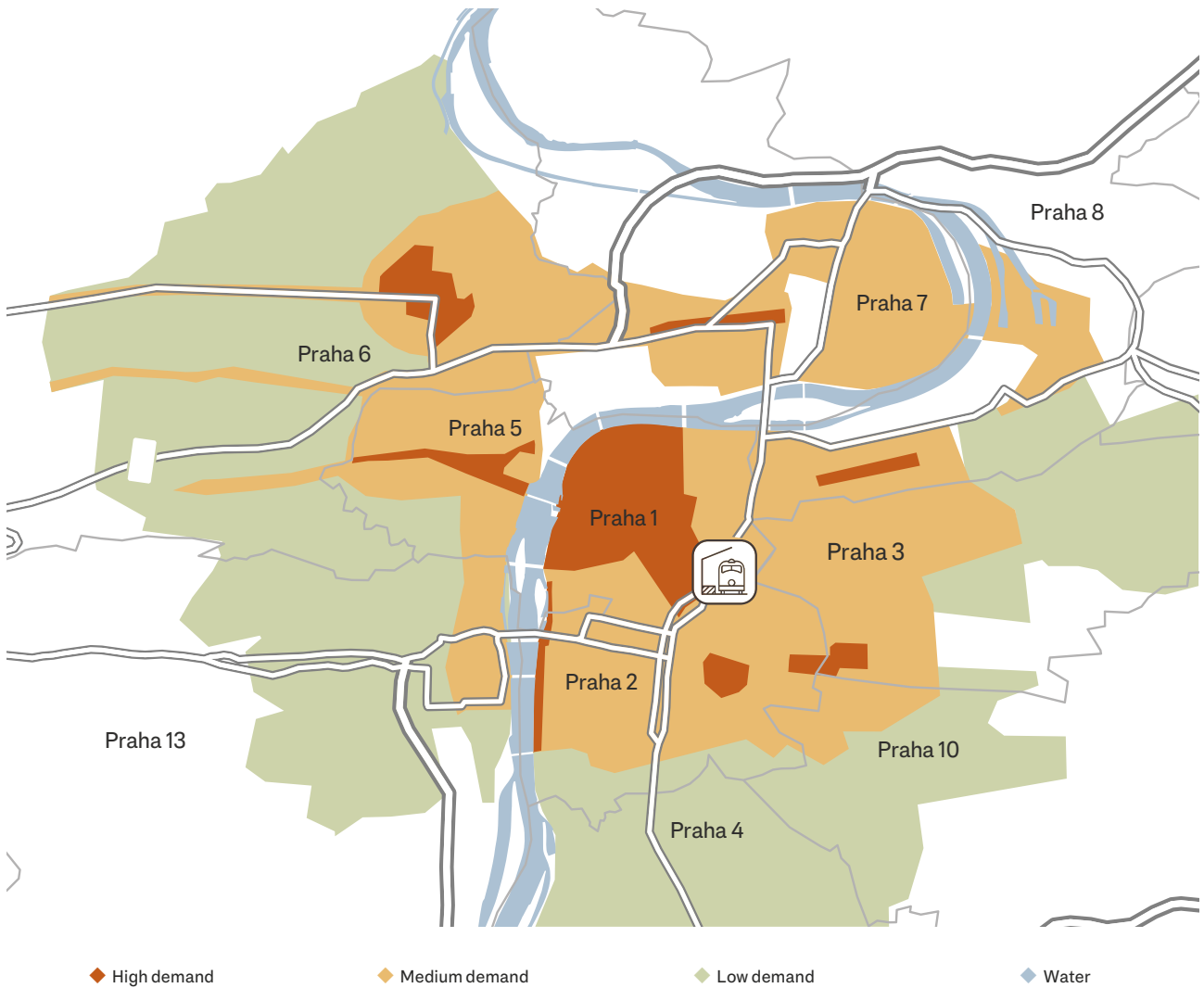
## Rents of office space in Prague EUR/sqm/month

		2023	2024	2025	Trend
High demand	◆	15 – 35	16 – 35	16 – 35	↗
Medium demand	◆	12 – 15	13 – 16	13 – 16	↗
Low demand	◆	11 – 15	12 – 15	12 – 15	↗
No office district	◆	7 – 11	8 – 12	8 – 12	↗

# Retail



## Prague - Demand for retail space

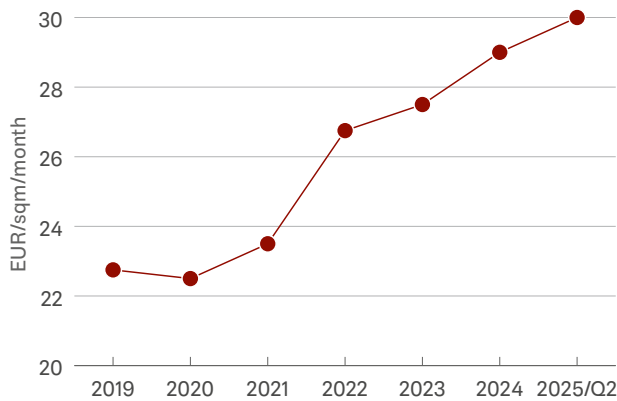


## Rents of retail space in Prague EUR/sqm/month

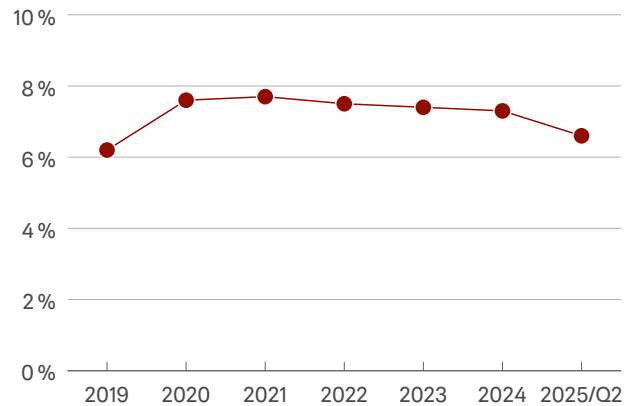
		2023	2024	2025	Trend
High demand	◆	40 – 80	60 – 100	70 – 120	↗
Medium demand	◆	20 – 26	24 – 32	30 – 40	↗
Low demand	◆	10 – 12	10 – 12	12 – 14	↗

## Trends & statistics

Prime office rent in Prague, 2019-2025



Vacancy rate in Prague, 2019-2025



Mgr. Ilona Fanfrdlová

Head of Commercial Rentals E&V Commercial Prague

The commercial rental market in Prague in 2025 and 2026 builds on the stabilization of the previous period and brings new challenges as well as opportunities. While demand in key segments remains strong, the supply—particularly of office space—is undergoing significant changes that will shape the market in the coming years.

A key factor for the office rental market will be the record-low level of new developments. The consequences of high construction costs and more complex project financing from previous years are now fully materializing. Only a limited amount of new office space is currently under construction in Prague, and most of it will not be completed before 2027.

This shortage of new premium space, combined with stable corporate demand, will inevitably put upward pressure on rents for existing offices. The vacancy rate already dropped to 7% in the first quarter of 2025, and a further decline is expected. Companies looking for new premises or planning to expand their current ones will face a limited selection, strengthening the negotiating position of landlords.

This situation presents a major opportunity for historic multi-tenant houses/apartment buildings with commercial spaces in the wider city center (Prague 1–10). These properties offer a unique atmosphere prestigious addresses, which remain highly attractive to many businesses. It can be expected that rent levels in well-renovated offices in these areas will grow at an above-average pace. Companies will increasingly emphasize the quality of the working environment for their employees, flexibility, and compliance with ESG (Environmental, Social, and Governance) standards—all of which favor premium and well-managed properties.

While the office market faces limited supply, the retail space segment will continue the positive trend from the previous year. The recovery is evident both in tourist-heavy central areas and in residential neighborhoods with strong purchasing power.

The most dynamic segment will remain gastronomy, which, after the pandemic and energy crisis, is experiencing a renaissance. Demand for quality space is at its highest in years. There is also strong interest in the service sector, private healthcare, and educational facilities.

In 2025 and 2026, rents for retail space are expected to see moderate but steady growth, particularly in the most sought-after locations of Prague 1. With the return of tourists and the revival of social life, the appeal of high-street addresses is growing, giving landlords in historic city-center buildings a strong position when negotiating prices. Spaces on less frequented streets will take longer to rent out, making flexibility and condition of the premises key factors.

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