

MIDPOINT 2025
**COMMERCIAL
REAL ESTATE
OUTLOOK**

CZECH REPUBLIC





CONTENTS



**CZECH
INVESTMENT MARKET**



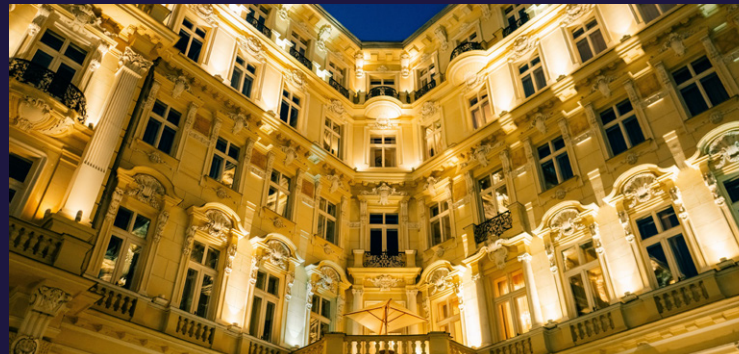
**PRAGUE
OFFICE MARKET**



**CZECH
INDUSTRIAL MARKET**



**CZECH
RETAIL MARKET**



**PRAGUE
HOTEL MARKET**







01

KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

CZECH INVESTMENT MARKET

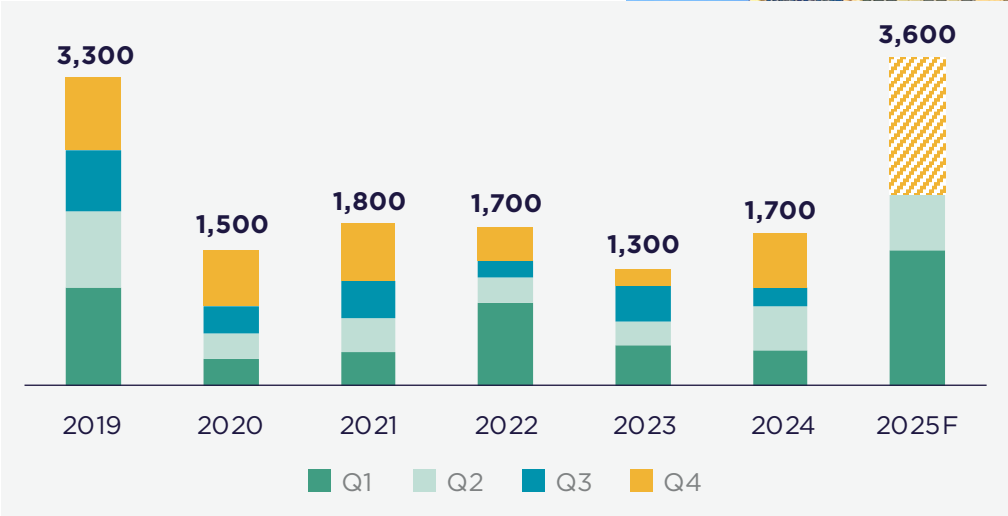


CZECH INVESTMENT MARKET

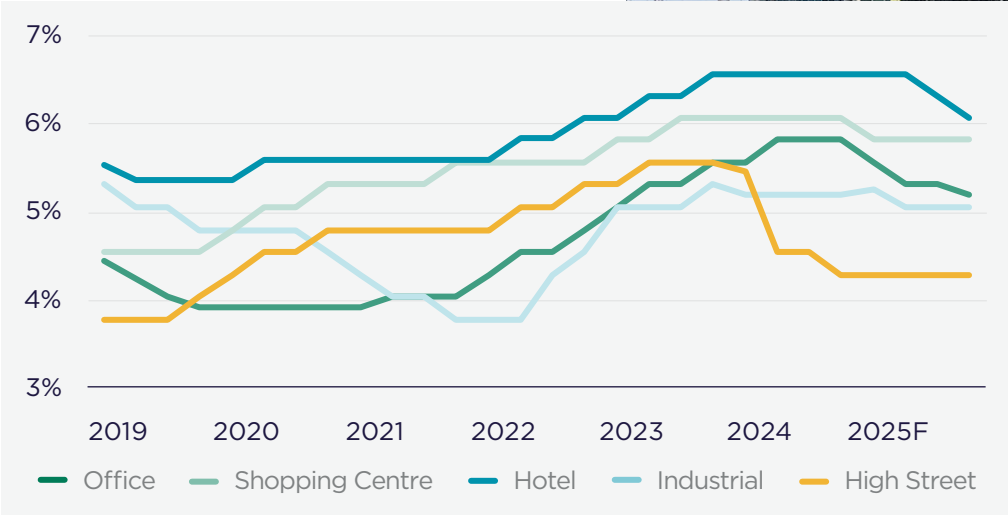
		Q2 2025	OUTLOOK YE 25
	OFFICE PRIME YIELD	5.25%	↓
	INDUSTRIAL PRIME YIELD	5.00%	→
	HIGH STREET PRIME YIELD	4.25%	→
	HOTEL PRIME YIELD (HMA)	6.50%	↓

- Transaction volumes began recovering in late 2024 and are expected to continue rising throughout 2025. Total investment volume is projected to reach approx. 3.6bn. EUR. Investment volume in 2025 will be twice the 2020–2025 average (excluding hotel transactions).
- Investors continue to favour high-quality assets, with particular focus on the retail, office, and logistics segments.
- Prime yields have stabilized across most sectors. However, modest compression is expected in the office segment, particularly for core assets in prime locations, driven by limited supply and ongoing demand from investors targeting premium properties.

INVESTMENT VOLUME (MIL. EUR)



PRIME YIELDS

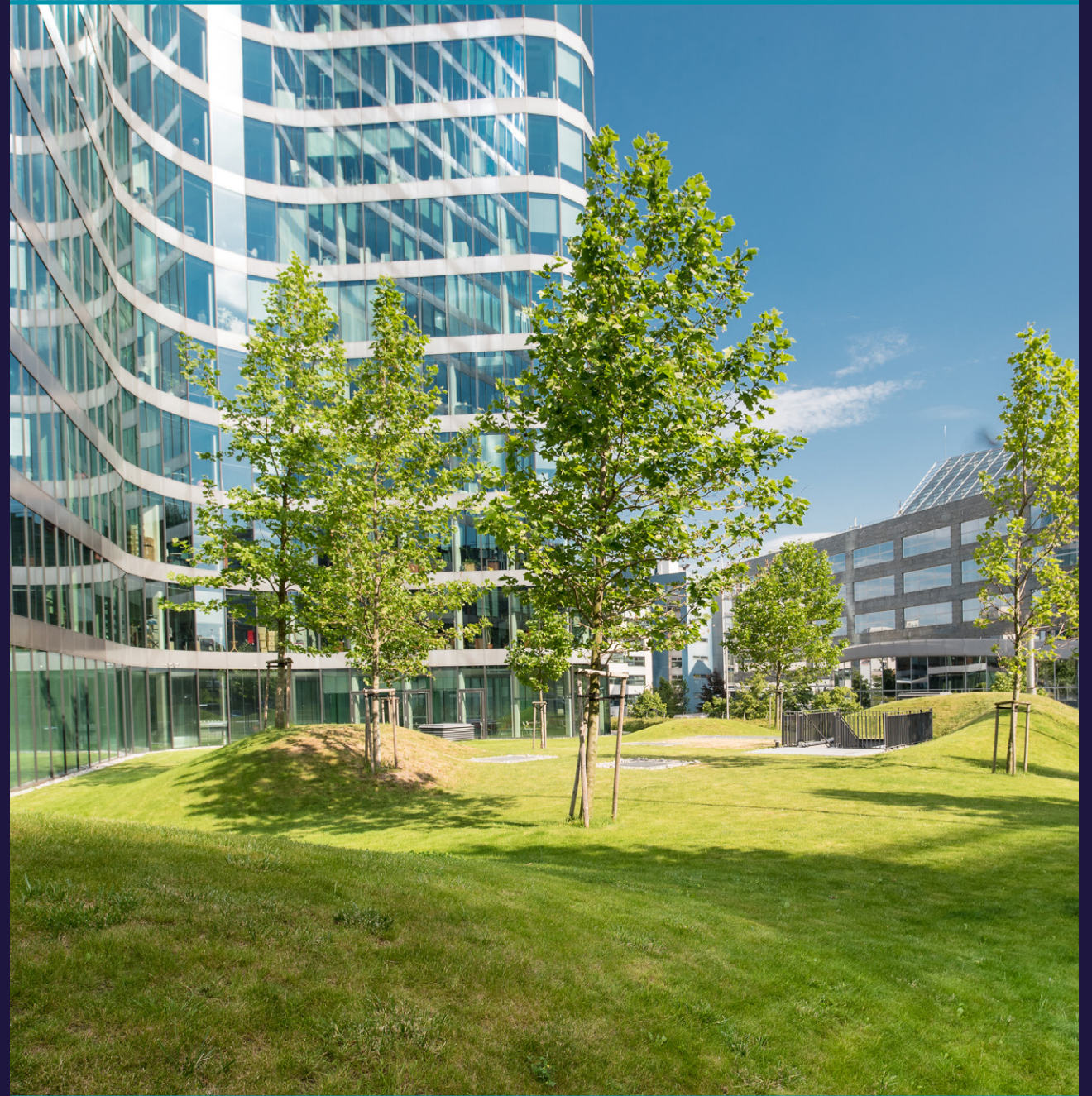










02

KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

PRAGUE OFFICE MARKET

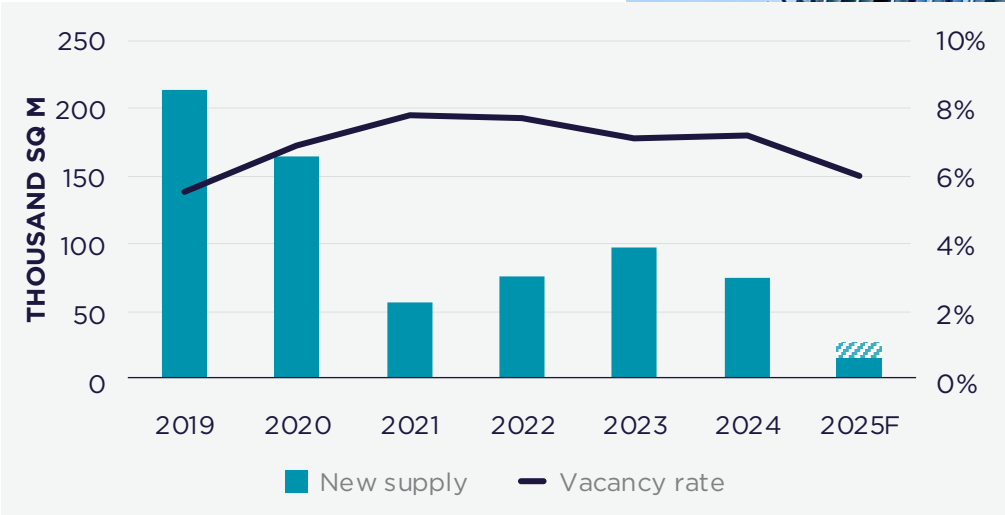


PRAGUE OFFICE MARKET

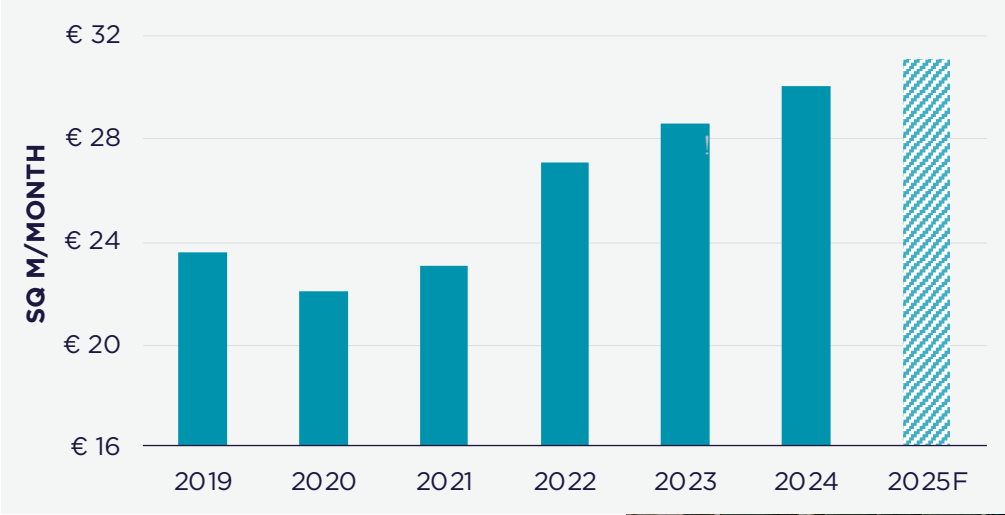
	Q2 2025	OUTLOOK YE 25
	NEW SUPPLY (SQ M, YTD)	15,300 (-77% Y/Y) 
	VACANCY RATE	6.60% (-130 BPS Y/Y) 
	PRIME RENT (SQ M/MONTH)	€30 (0% Y/Y) 

- Leasing activity has slowed, with tenants focusing on high-quality space in the wider city center (accounting for 87% of total activity). Decision-making processes have lengthened due to economic uncertainty, while demand for ready-to-occupy offices has increased to avoid high fit-out costs.
- Office vacancy varies significantly between central and non-central locations. Due to limited new supply, we expect the overall vacancy trend to continue declining, particularly in well-positioned buildings.
- Limited new supply, combined with strong demand for Grade A offices in prime locations, is creating upward pressure on rents.

NEW SUPPLY AND VACANCY RATE



PRIME RENT





03




KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

CZECH INDUSTRIAL MARKET



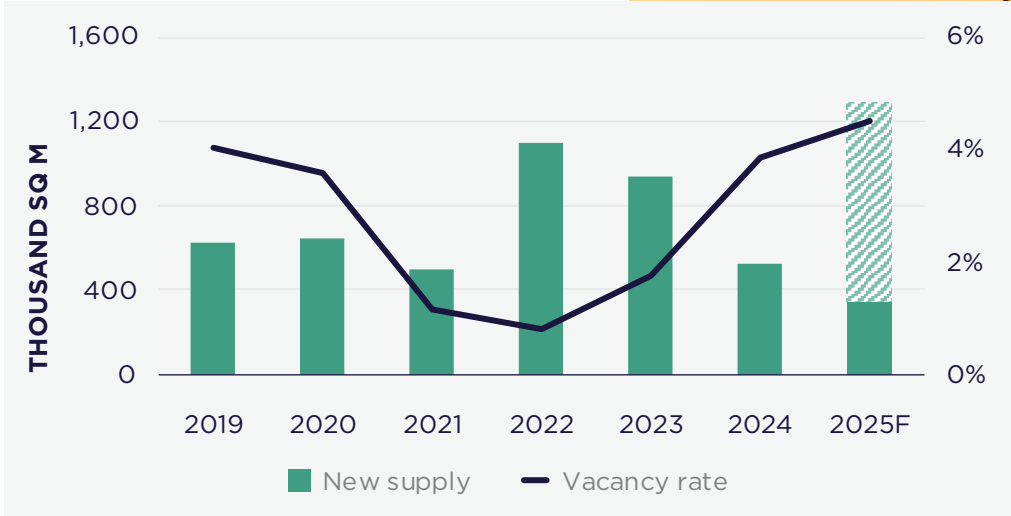
CZECH INDUSTRIAL MARKET



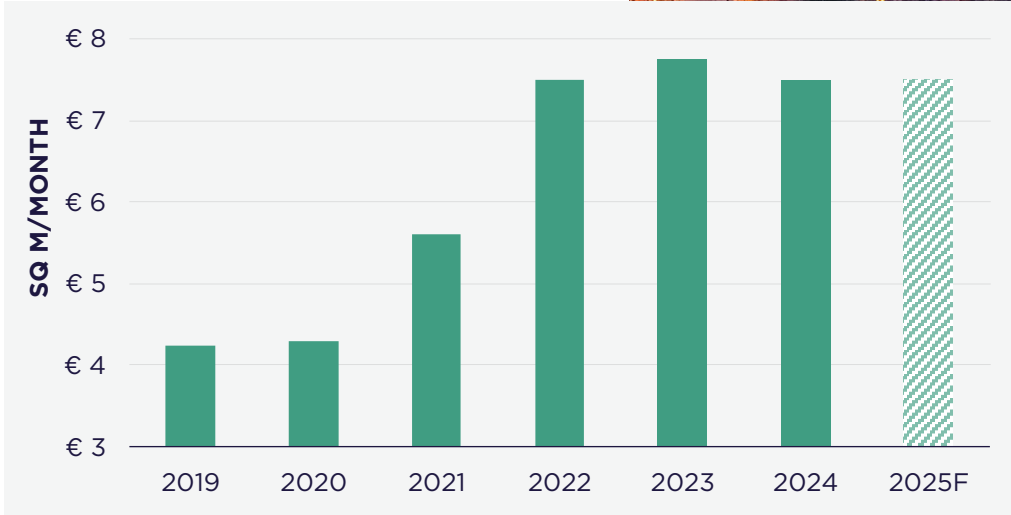
	Q2 2025	OUTLOOK YE 25
	NEW SUPPLY (SQ M, YTD) 344,700 (+39% Y/Y)	↑
	VACANCY RATE 4.04% (+127 BPS Y/Y)	↑
	PRIME RENT (SQ M/MONTH) €7.50 (0% Y/Y)	→

- Leasing activity softened in Q2 2025 but is stabilizing near pre-pandemic levels. The most sought-after regions are Greater Prague, South Moravia, and Ústí nad Labem.
- New supply has declined over the past two years, leading to ongoing market constraints. Developers remain cautious with construction commitments, and some projects remain unfinished at the shell & core stage while awaiting pre-leasing agreements.
- Prime rents are expected to rise in the long term, supported by limited supply and steady demand. No increase is likely expected by the end of 2025. In some regions with high vacancy, effective rents may decrease due to higher landlord incentives and contributions.

NEW SUPPLY AND VACANCY RATE



PRIME RENT











04

KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

CZECH RETAIL MARKET

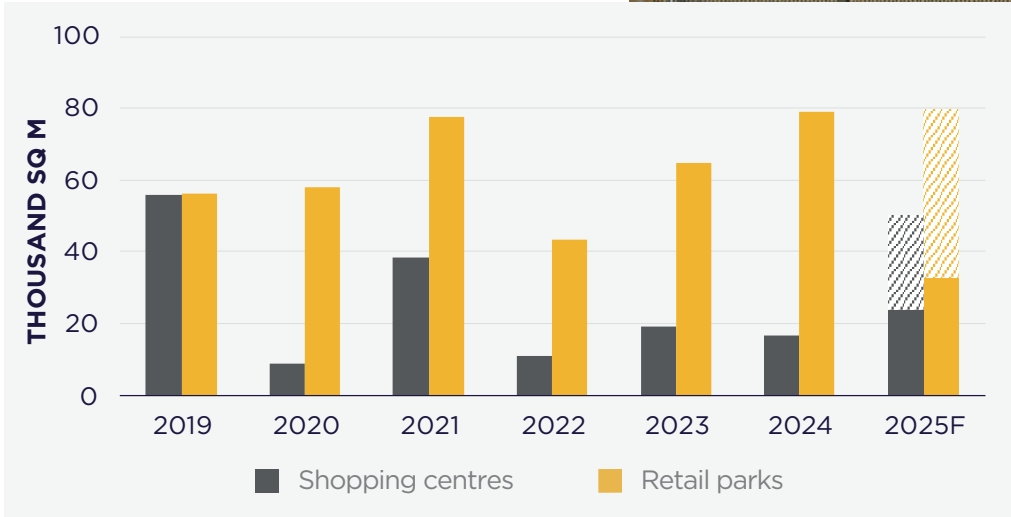


CZECH RETAIL MARKET

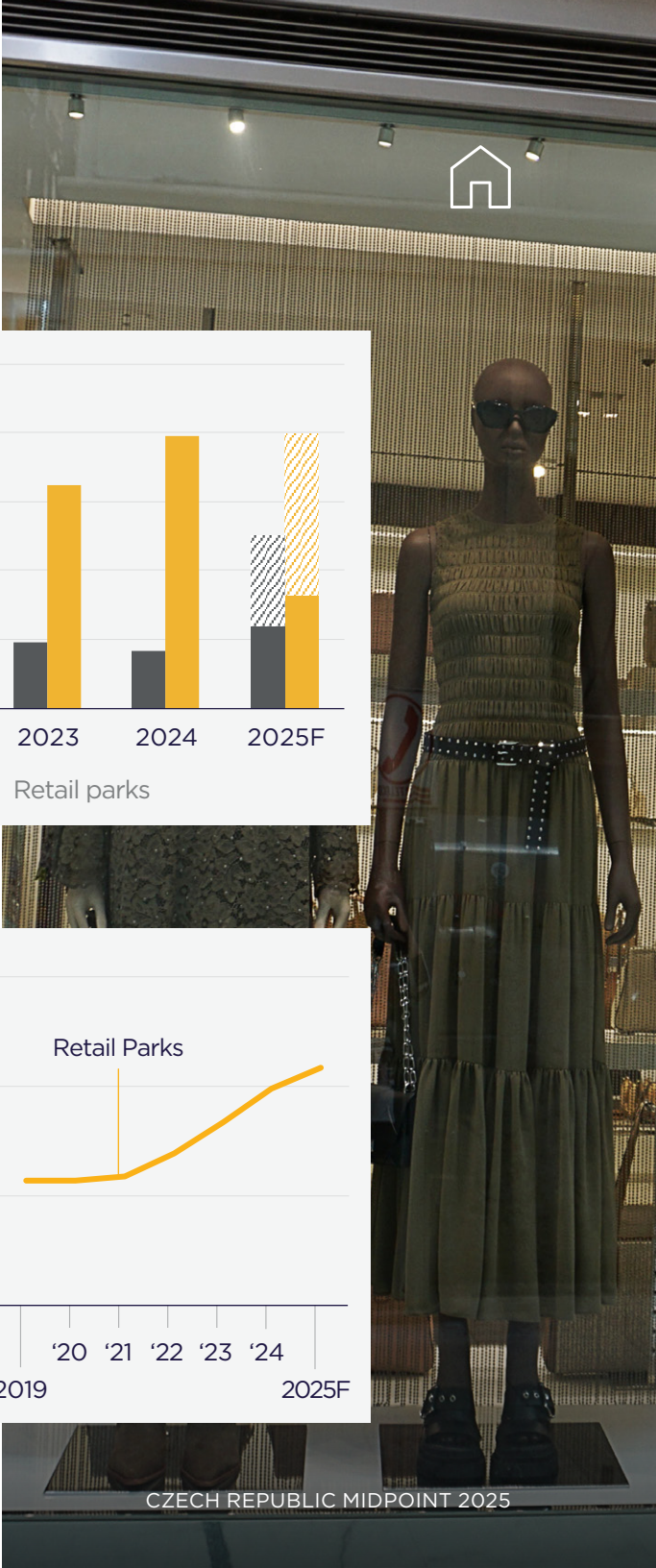
	Q2 2025	OUTLOOK YE 25
	TOTAL RETAIL STOCK (SQ M)	4.0 M (+2% Y/Y) 
	RETAIL SALES (Y/Y CHANGE)	3.4% 
	HS PRIME RENT (SQ M/MONTH)	€235 (+4% Y/Y) 

- Czech consumer confidence rose in July 2025, supported by easing economic concerns and stable household sentiment.
- Retail parks will continue to lead new development, while shopping centres will focus on refurbishments and a more diverse, experience-oriented tenant mix.
- Pařížská Street in Prague is strengthening its position as a key luxury shopping destination in Central Europe. The first half of 2025 saw a notable influx of new premium and luxury brands, with further entries anticipated throughout the year.
- Prime retail rents are forecast to rise moderately across all segments by the end of 2025.

NEW SUPPLY



PRIME RENTS









05

KEY TRENDS TO HELP NAVIGATE THE REAL ESTATE MARKET IN H2 2025

PRAGUE HOTEL MARKET

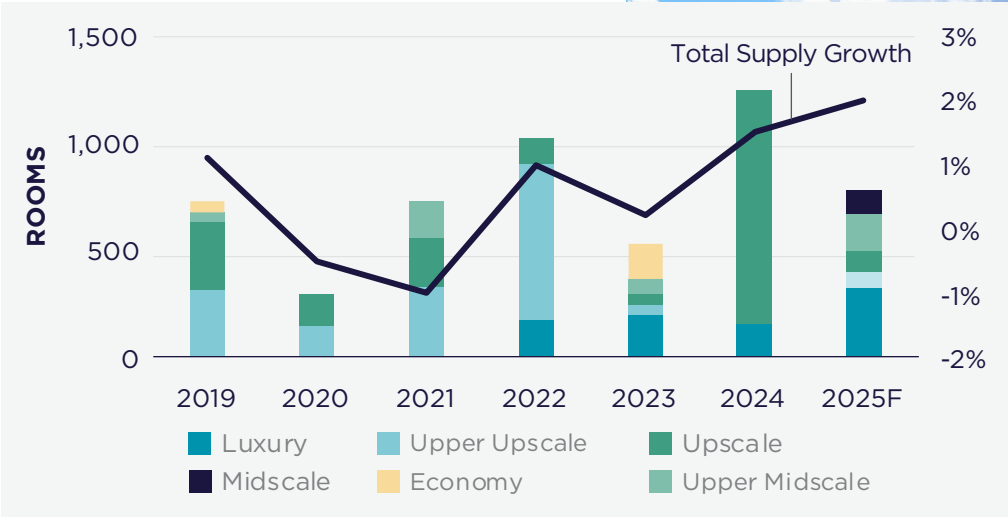


PRAGUE HOTEL MARKET

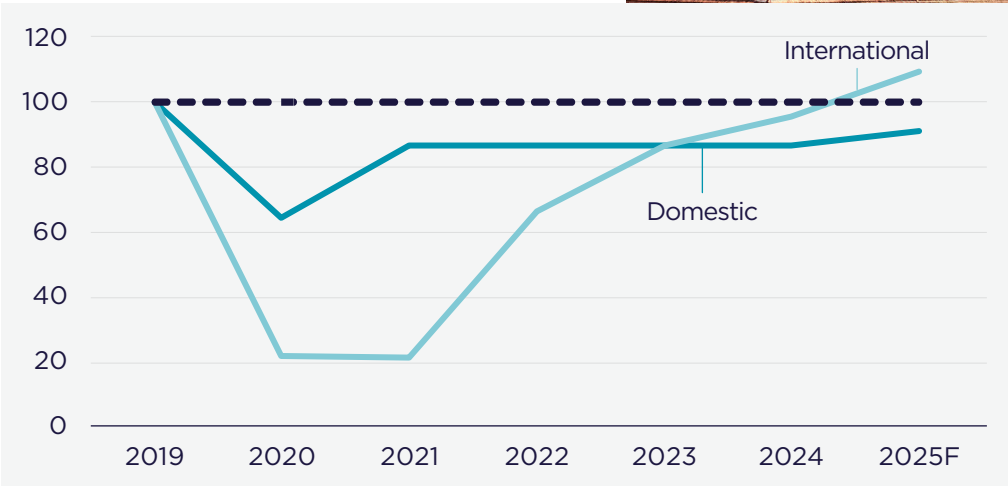
	H1 2025	OUTLOOK YE 25
	NEW SUPPLY (ROOMS, YTD)	559 (+1.8% Y/Y) 
	AVERAGE DAILY RATE (YTD)	€116 (+3.0% Y/Y) 
	OCCUPANCY (YTD)	70% (+1.6% Y/Y) 

- Prague’s hotel market demonstrated consistent performance growth in the first half of 2025, with year-to-date RevPAR reaching €82 as of June, an increase of 4.7% compared to the same period in 2024. Marking a 25.5% rise over 2019 levels.
- Hotel supply is evolving significantly, led by the luxury segment, which in H1 2025 only, expanded by 25.0%. Despite this, luxury remains the smallest segment, accounting for just 3.0% of the city’s total inventory. Overall Supply growth is expected to remain constrained, increasing by 1.8% by YE 2025.
- Total demand in paid accommodation in 2025 is expected to surpass 2024 by over 14.5%, driven by a 15.5% increase in international demand, underpinned by the strengthening of air connection and return of international demand.

NEW SUPPLY AND STOCK DEVELOPMENT



DEMAND INDEX (NIGHTS IN PAID ACCOMMODATION)





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