



CZECH REPUBLIC

OUTLOOK

2026





CONTENTS

ECONOMY

INVESTMENT

OFFICE

LOGISTICS





RETAIL

HOTELS



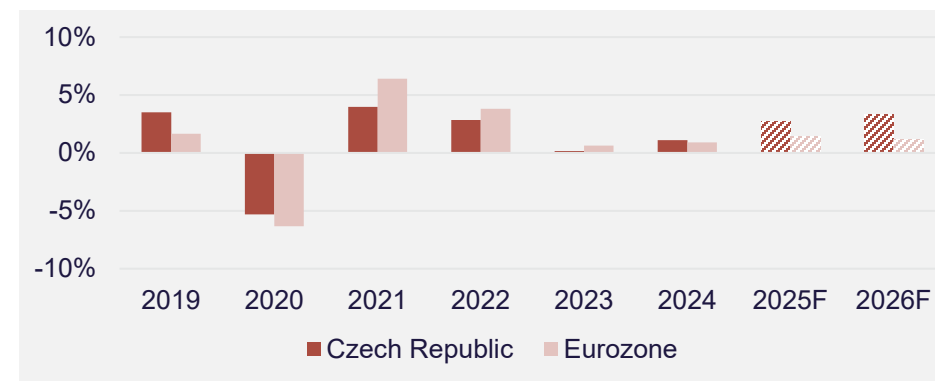
ECONOMY

ECONOMY

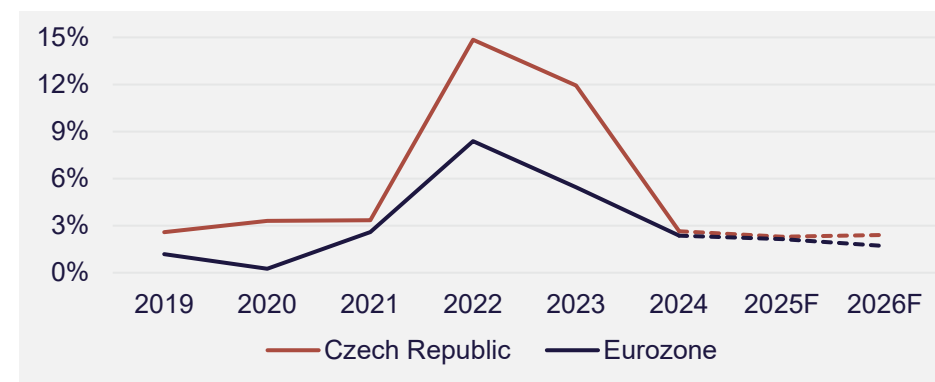
		2025	OUTLOOK 2026
	GDP Growth (Real, Y/Y Change)	2.7%	↑
	Unemployment Rate	2.7%	→
	Inflation Rate (HICP, Y/Y Change)	2.3%	↑
	Industrial Production (Index Y/Y Change)	1.1%	↑

- **The Czech economy** is expected to maintain moderate growth in 2025, slightly above the euro area average, thanks to resilient household consumption. Growth should strengthen further in 2026 thanks to a recovery in external demand and a reduction in uncertainty.
- **The unemployment rate** remains among the lowest in Europe, reflecting a persistently tight labour market and ongoing labour shortages, which continue to support wage growth and overall economic stability.
- **Inflation** is projected to stay within the Czech National Bank's target range; however, policy rates are expected to remain stable and are not likely to decrease further in the near term, as the central bank maintains a cautious stance due to persistent core price pressures.
- **Industrial production** is expected to grow only modestly in 2025 due to weak external demand and trade headwinds. In 2026, output should improve as global demand recovers and supply chain pressures ease.

Real GDP Growth



Inflation Rate (Harmonized)







Source: Moody's Analytics



INVESTMENT

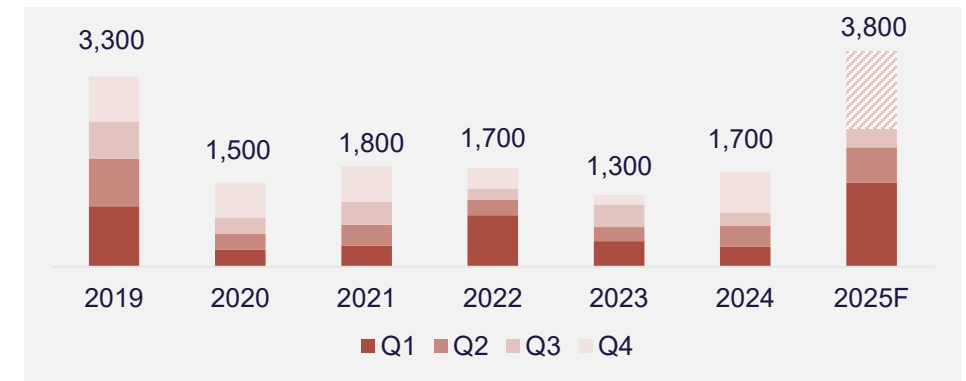


INVESTMENT

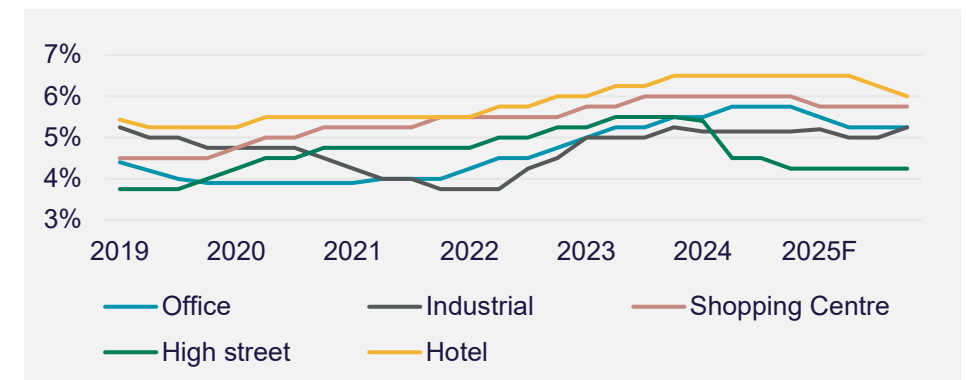
		Q3 2025	OUTLOOK 2026
	Office Prime Yield	5.00%	➡
	Industrial Prime Yield	5.00%	⬆
	High Street Prime Yield	4.25%	➡
	Hotel Prime Yield (MA)	6.50%	⬇

- **Investment volumes** are projected to reach approximately €3.8 billion, more than double the five-year average. This growth has been driven by significant transactions, including major office and retail properties.
- **The Czech investment market** remains dominated by domestic investors, with offices and retail in the highest demand, followed by industrial and hospitality sectors.
- Looking ahead to 2026, **financing costs** will remain a key factor. The five-year euro swap rate is expected to stay below its 2023 peak but well above pre-pandemic levels. This environment favours investment in core assets that deliver strong and stable returns.
- **Prime yields** should remain broadly stable, with only hotel assets expected to experience slight downward pressure.

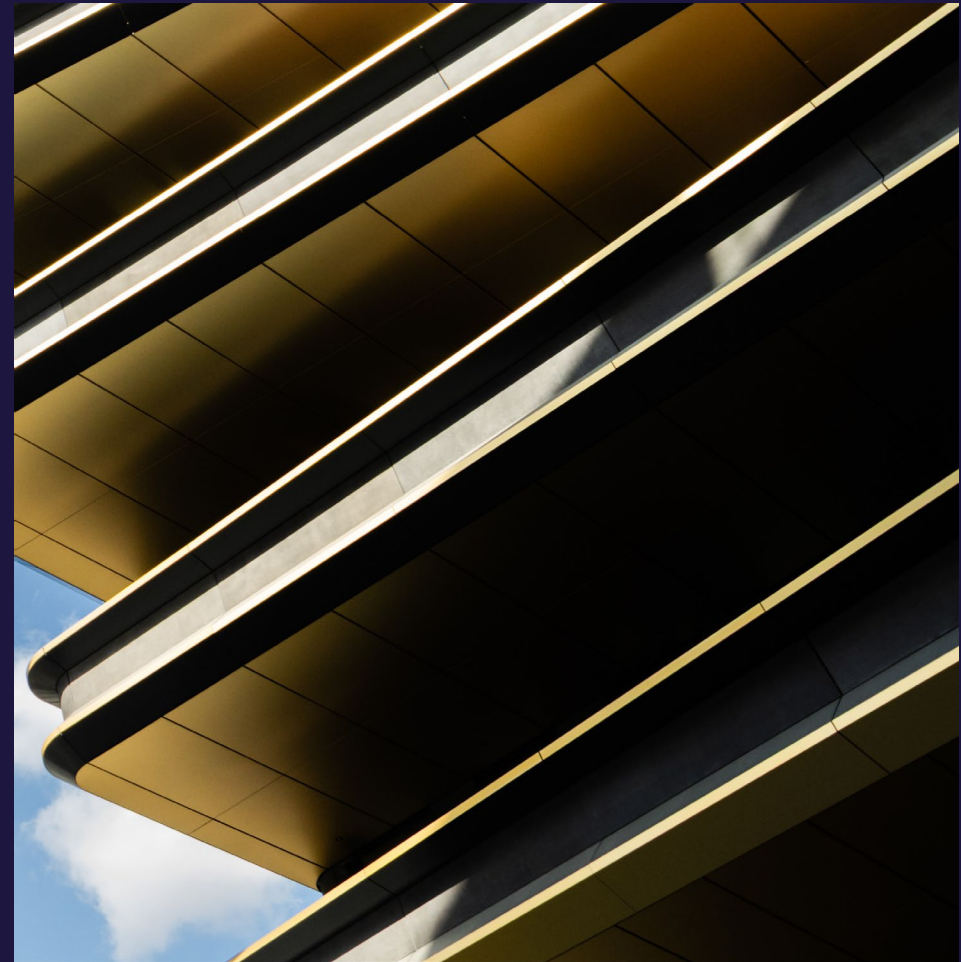
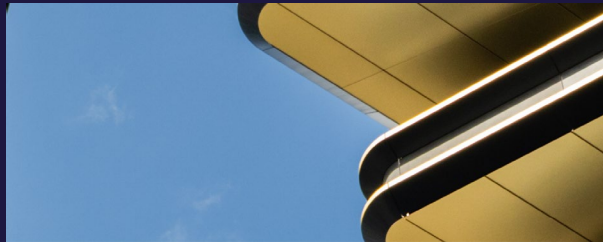
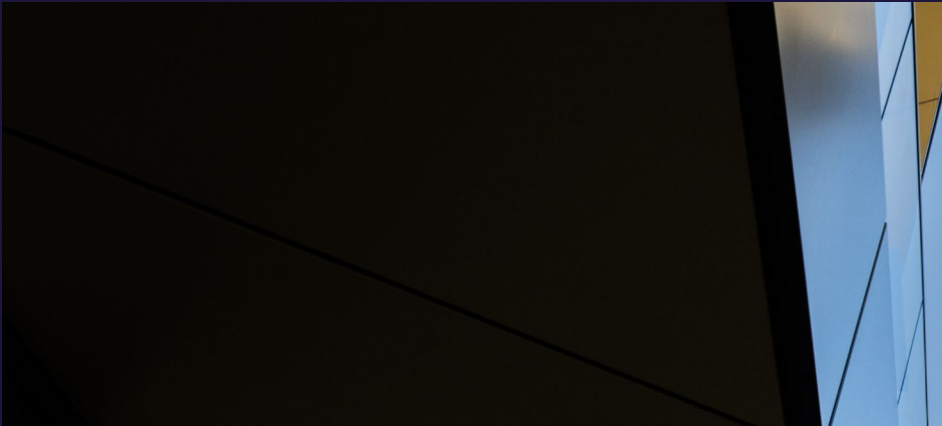
Investment Volume (Million EUR)



Prime Yields






Source: Cushman & Wakefield



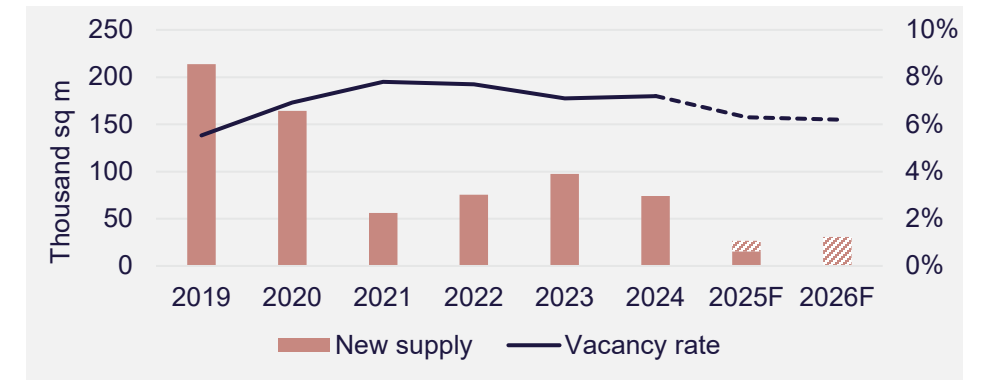
OFFICE

OFFICE

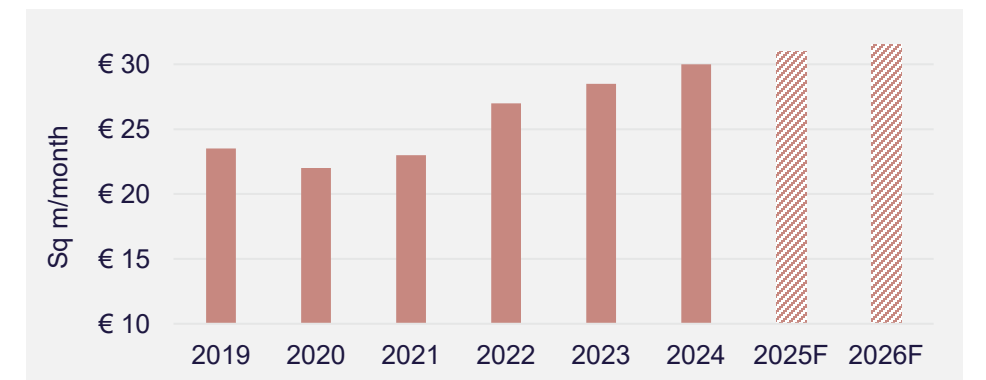
		Q3 2025	OUTLOOK 2026
	New Supply (Sq m, YTD)	15,300 (-78% y/y)	↑
	Vacancy Rate	6.45% (-150 bps y/y)	↓
	Prime Rent (Sq m/month)	30.00 EUR (0% y/y)	↑

- **The Prague office market** is entering 2026 with historically low new supply, driven by years of elevated construction costs and expensive financing. This shortage has pushed vacancy rates down and intensified competition for prime office space. Most projects currently under construction are already pre-leased, leaving very few options for tenants seeking top-tier offices.
- **Tenants** increasingly prefer offices with excellent transport connections and a wide range of amenities. **Sustainability** and operational efficiency play a key role in their decision-making, with greater emphasis placed on energy efficiency, resilience, and cost optimization.
- Looking ahead, **vacancy** is expected to decline further, putting upward pressure on prime rents, particularly in top locations with strong amenities. **Developers** will increasingly emphasize sustainability, workplace comfort and space efficiency as key differentiators in a highly competitive market.

New Supply and Vacancy Rate



Prime Rent






Source: Cushman & Wakefield, Prague Research Forum



LOGISTICS

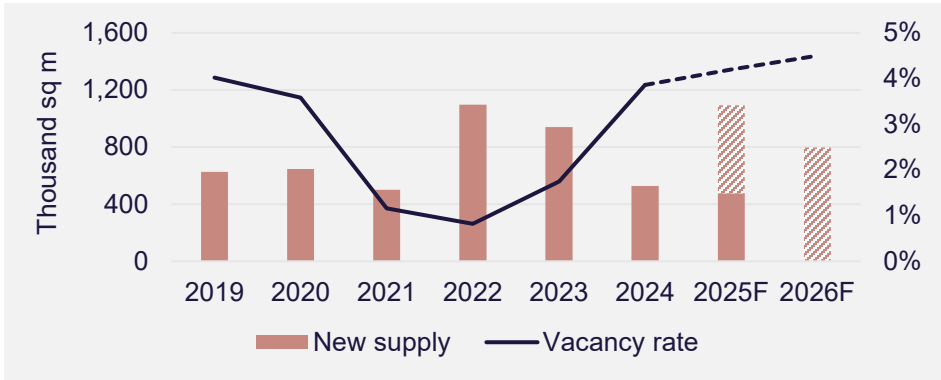


LOGISTICS

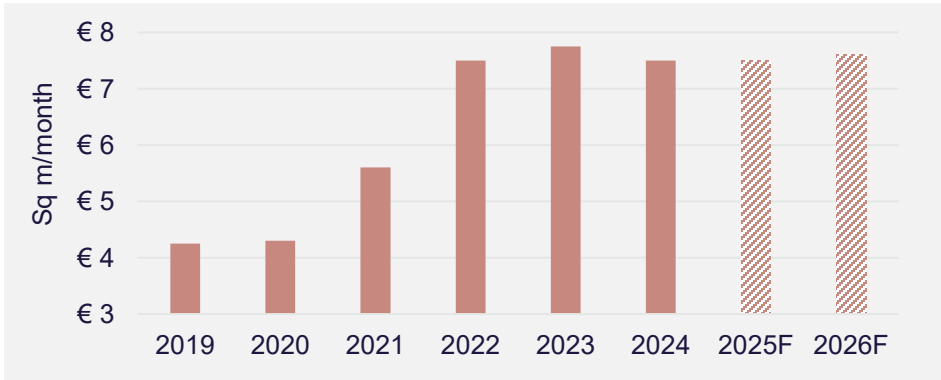
		Q3 2025	OUTLOOK 2026
	New Supply (Sq m, YTD)	475,400 (-16% y/y)	↓
	Vacancy Rate	3.99% (+94 bps y/y)	↑
	Prime Rent (Sq m/month)	7.50 EUR (0% y/y)	→

- **The Czech industrial market** is closing 2025 with strong construction activity, and new supply may reach approximately 1 million sq m. However, some speculative projects are likely to pause at the shell-and-core stage, potentially reducing actual completions from initial developer plans.
- Looking ahead to 2026, **vacancy** is expected to rise further, potentially approaching 4.5%. While construction activity should remain solid, **new supply** will probably be lower than in 2025 as developers adapt to softer demand.
- **Leasing activity** remains concentrated in key hubs, including Greater Prague, Central Bohemia, South Moravia, and the Moravia-Silesia region.
- **Prime rents** in Greater Prague are expected to hold steady despite rising vacancy elsewhere. Overall, 2026 is likely to see a more cautious development approach, with selective growth focused on high-demand locations.

New Supply and Vacancy Rate

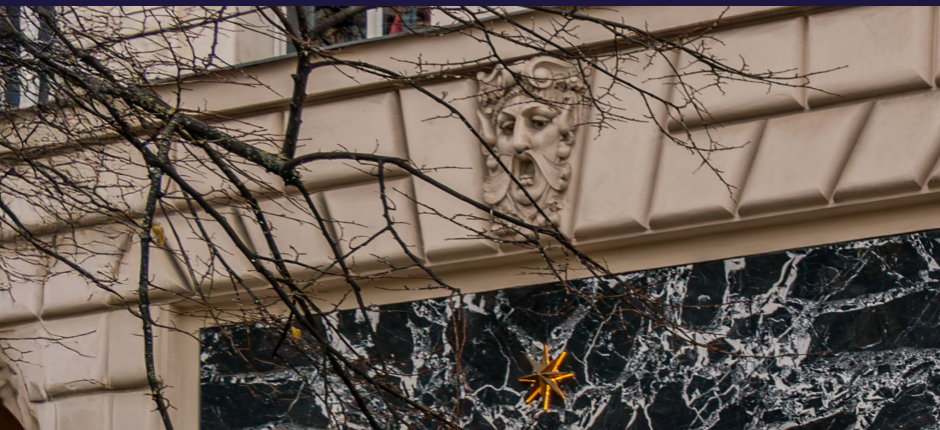


Prime Rent






Source: Cushman & Wakefield, Industrial Research Forum

RETAIL

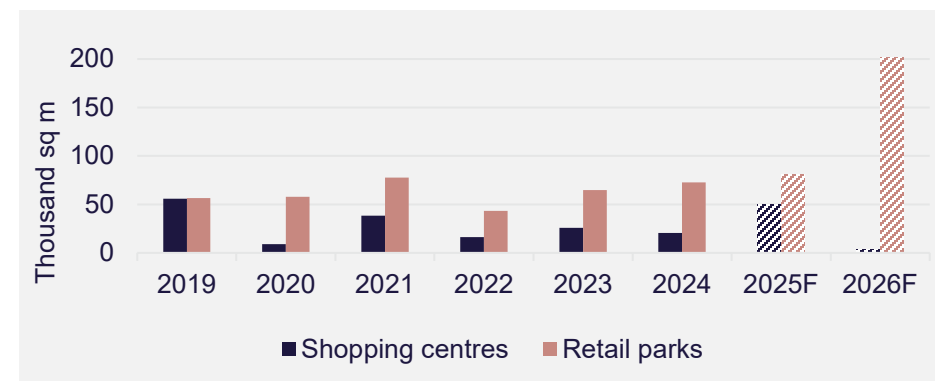


RETAIL

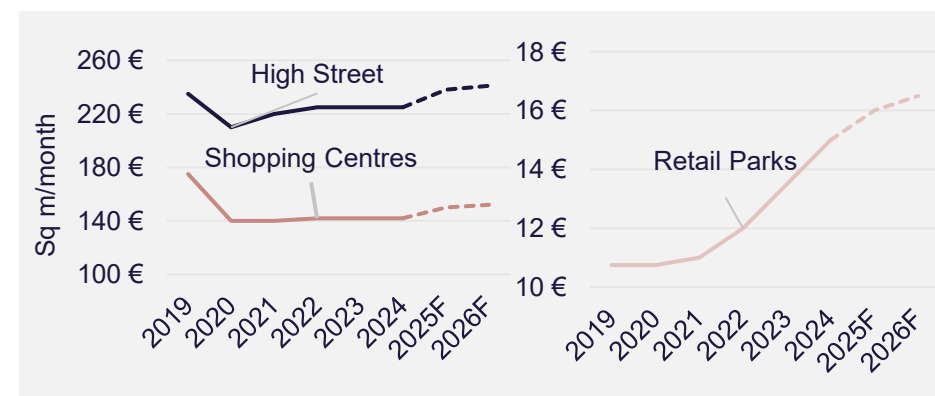
		Q3 2025	OUTLOOK 2026
	Total Retail Stock (Sq m)	4.05 mil. (+3% y/y)	↑
	Retail Sales (Real, annual, Y/Y Change)	3.70% (-76 bps y/y)	↑
	High Street Prime Rent (Sq m/month)	235 EUR (0% y/y)	↑

- **Pařížská Street** remains Prague's premier high street and ranks among the top 20 most expensive shopping streets globally. In 2025, strong demand from luxury brands and several new openings reinforced its status as a regional luxury hub. Prime rents on Pařížská are expected to hold firm or edge higher in 2026, supported by tourism recovery and resilient high-end spending.
- **Retail parks** continued to dominate new supply in 2025, accounting for the majority of delivered space, while shopping centres focused on refurbishments and experiential upgrades. The **development pipeline** remains balanced, with roughly half of the 190,000 sq m under construction allocated to retail parks, reflecting occupiers' preference for cost-efficient and flexible formats.
- **In 2026**, retail parks are expected to remain growth driver, while shopping centres shift toward mixed-use concepts and greater tenant diversification. Prime rents are projected to rise moderately across all segments, supported by stable macroeconomic conditions.

New Supply



Prime Rents






Source: Cushman & Wakefield



HOTELS

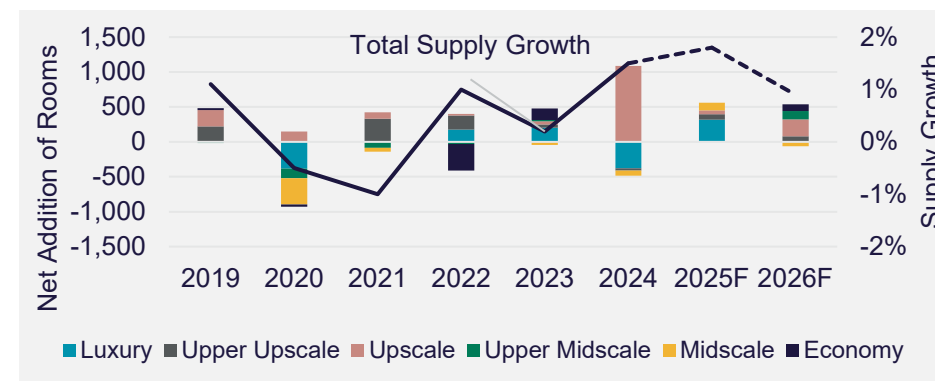
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HOTELS

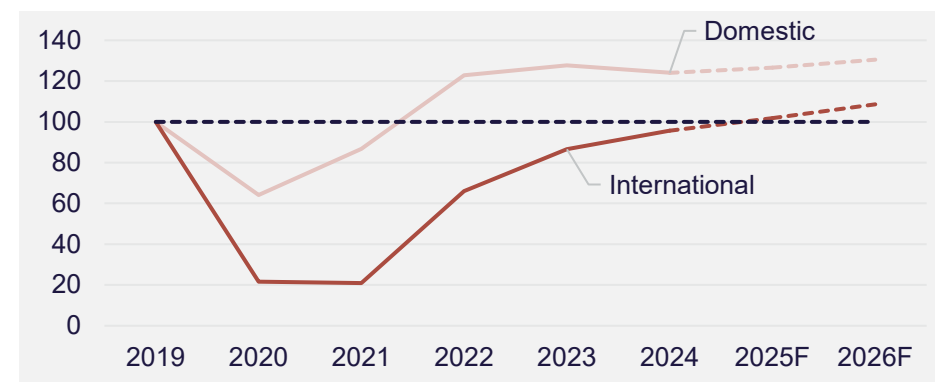
		Q3 2025	OUTLOOK 2026
	New supply (Rooms, YTD)	559 (+1.8% y/y)	↑
	Occupancy (YTD)	74% (+140 bps y/y)	↑
	Average Daily Rate (YTD)	117 EUR (+3.5% y/y)	↑

- **Prague's market** demonstrated consistent performance growth in 2025, with year-to-date RevPAR reaching €87 as of September (5% year-on-year increase). A similar trend is expected in 2026, underpinned by a limited pipeline and continued demand growth.
- **Hotel supply growth** in Prague was led by the luxury segment in 2025, which recorded a year-to-date increase of 19.6%. Overall supply growth is expected to remain constrained, rising by 1.8% by YE 2025. In 2026, 475 rooms are planned to be added to the market (+0.9%), primarily driven by the upscale segment.
- **Total demand** in paid accommodation in 2026 is expected to surpass 2025 by over 6.2%, driven by a 6.6% increase in international visitation, underpinned by the strengthening of air connections.

Supply Change (Openings and Closures)



Demand Index (Nights in Paid Accommodation)



Source: Cushman & Wakefield, Oxford Economics

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