CBRE

Czech Republic - Prague

Key Performance Indicators

Prime Yield
5.10%
Expected Investment Returns
Change YonY: -20 bps

Prime Rent
€ 30.00
Monthly, per sq m
Change YonY: 0.0%

Average Rent
€ 17.37
Monthly, per sq m
Change YonY: -0.9%

Office Investment Volume
€ 467M
In Prague during Q2 2026
€ 997M (Rolling 12 months)

Take Up
35K
Square Meter
78K Year2Date

Vacancy Rate
5.80%
Percentage of Stock vacant
Change YonY: -71 bps

Completions
21K
Square Meter
29K Year2Date

Total Stock
3,950K
Square Meter
3,721K Occupied Stock

(Forecast) Completions
38K (2026)
Square Meter
81,946 (2027) // 275,634 (2028)

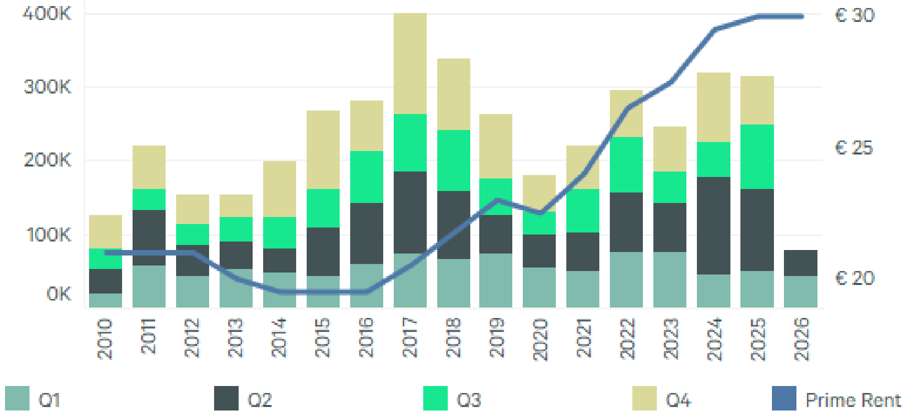
By the end of Q2 2026, Prague's total modern office stock reached 3.95 million sq m following the completion of one project, the refurbishment of Danube House (20,800 sq m) in Prague 8. For the remainder of 2026, only 8,200 sq m of office space is expected to be delivered, bringing total annual office completions to 36,700 sq m. The vacancy rate remained stable Q-on-Q at 5.8%, with approximately 229,100 sq m of vacant office space. In a Y-on-Y comparison, the vacancy rate decreased by 70 basis points.

Total leasing reached 125,400 sq m, representing a 21% Q-on-Q increase, although demand declined by 24% Y-on-Y. Leasing activity continued to be driven by renegotiations, which accounted for 69% of total demand. New leases and expansions represented 29%, while subleases accounted for the remaining 2%. No preleases were recorded. Take-up reached 35,800 sq m, representing a 16% Q-on-Q decline.

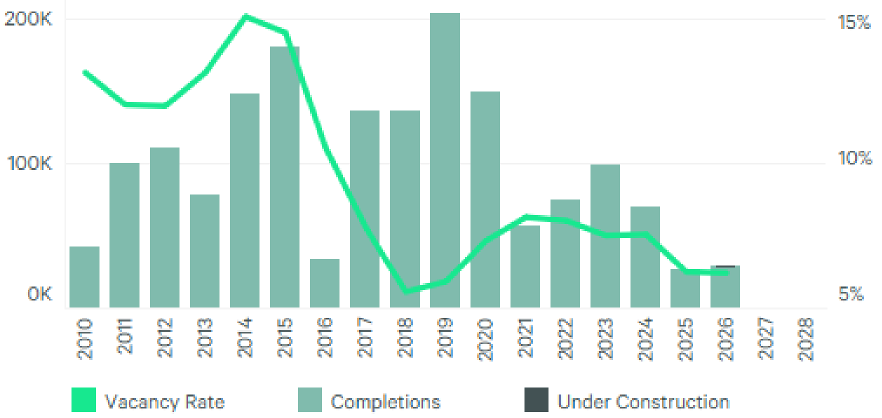
Construction commenced on three office projects during Q2 2026: Vinohradská 8 (7,300 sq m) in Prague 2, Hybe (5,100 sq m), and Palace Hybernia (2,400 sq m) both in Prague 1. The total volume of office space under construction currently stands at 309,300 sq m. Almost 58% of space under construction has already been pre-leased.

Prime headline rents remained stable in the city centre at €30.00/sq m/month. In inner city locations, prime rents increased to €21.50-22.50/sq m/month, while outer city rents increased to €16.00-17.00/sq m/month.

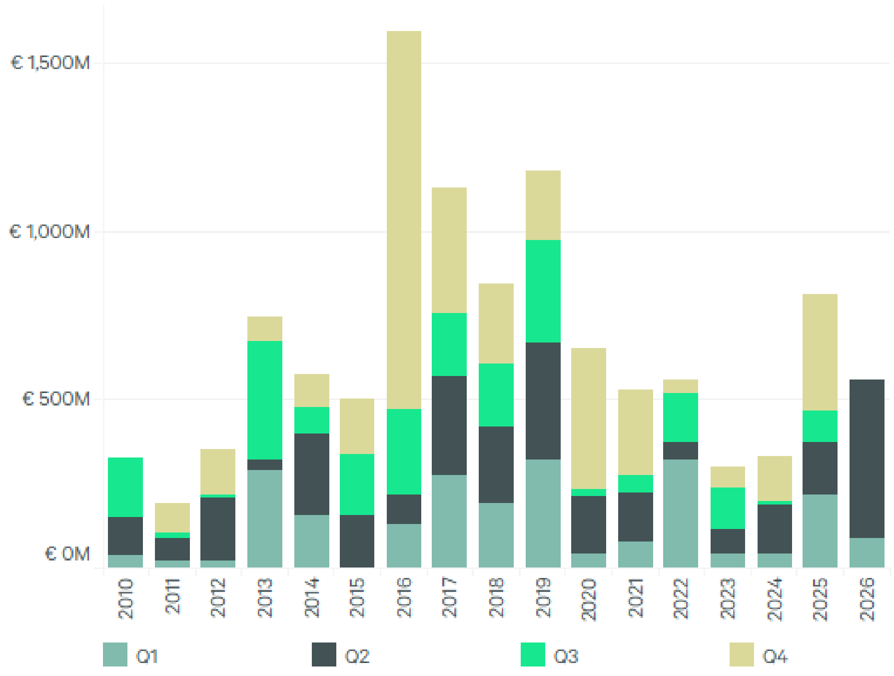
Market Trend (Take-Up | Prime Rent)



Development Activity (Completions | Vacancy Rate)



Prague Office Investment Volumes



Note: 2026 annual numbers till 6/30/2026

As of Q2 2026, more than 309,000 sq m of office space was under construction. Development activity remained concentrated mainly in Prague 5 and Prague 4. Nearly 58% of space under construction has already secured tenants, indicating that speculative availability remains limited despite the relatively high volume of ongoing development. The limited completion pipeline for the rest of 2026 is expected to support low vacancy levels. Only 8,200 sq m of additional refurbished office space is scheduled for delivery by year-end, while total annual completions are expected to reach 36,700 sq m.

Prague office market remains landlord-favoured in prime and well-located buildings. Low vacancy limited near-term supply and rising rents outside the city centre continue to widen the performance gap between high-quality modern offices and older, less competitive stock. This highlighted low vacancy, limited 2026 completions and stronger performance of prime assets.

Leasing activity remains heavily concentrated on renegotiations as occupiers focus on cost management and workplace optimisation. New lease activity is present but remains secondary, reflecting a market where limited prime availability, rising rents and a lack of immediate supply continue to encourage tenants to retain and upgrade existing premises rather than pursue major relocations. Vacancy is therefore expected to remain low.

Office investment activity in Prague totalled €467 million in Q2 2026, accounting for 55% of total Czech real estate investment volume. Prime office yields compressed further during the quarter, reaching 5.10%.

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