

Retail Market Czech Republic

H1 2024

A regular update of retail market
in the Czech Republic

[www.knightfrankprostory.cz/en/
news](http://www.knightfrankprostory.cz/en/news)
www.knightfrank.com/research



Overview

Total Retail Stock



4.0 m sq m

New Supply H1 2024



23,800 sq m

Under Construction and Refurbishment



87,200 sq m

Retail Sales (May 2024)



+4.4%

At the end of H1 2024, the total lettable retail area reached almost 4.02 million sq m.

23,800 sq m of retail space was newly completed in the first half of 2024.

In total 87,200 sq m of retail space was under construction and refurbishment in projects with a sales area of more than five thousand sq m. Furthermore, over 57,000 sq m was under construction in projects of small retail parks.

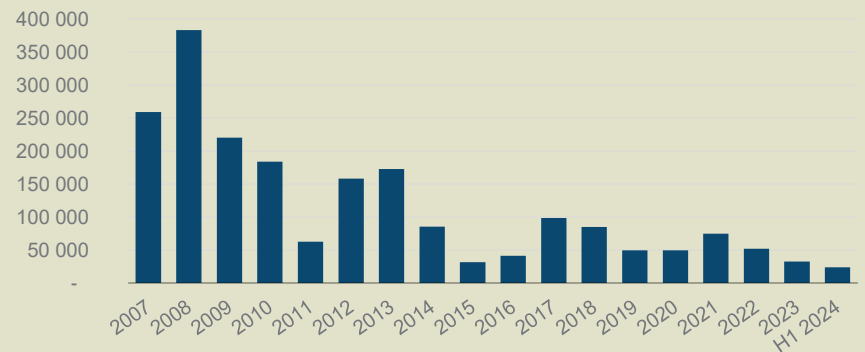
In H1 2024, prime shopping centre rents in Prague remained stable at the level of €140 per sq m per month. High street prime rents were around €200 - 220 per sq m per month.

In Q1 2024, retail properties were the most traded type of asset, representing 74% of all investment in this period due to the sale of Arkády Pankrác shopping centre, while in Q2 2024 it was only 1%.



Annual Retail Supply

sq m



Source: Knight Frank Research

Retail Market Saturation in Regional Cities

sq m per 1,000 inhabitants



Source: Knight Frank Research

► RETAIL MARKET OVERVIEW

In the first half of 2024, the Czech retail sector improved its performance. Footfall is not yet back to pre-covid levels, but only slightly below the level of 2019. The footfall and the turnovers of shopping centres are increasing, especially in established top shopping centres and the newly renovated regional centres. Also retail parks are doing well and are particularly attractive to retailers from an expansion point of view.

According to the Czech Statistical Office, in May 2024, sales in retail trade adjusted for price effects continued to grow year-on-year, but the growth rate moderated compared to the previous two months. Internet and mail-order stores and non-specialized stores with a predominance of food contributed the most to the increase in sales. Retail sales increased by 4.4% year-on-year in real terms, non-food goods up by 5.1%, food by 4.2% and fuel by 2.2%. Retail sales have returned thus back to growth this year, after contracting by 4.1% in 2023.

At the end of H1 2024, the total lettable retail area reached almost 4.02 million sq m. In the first half of 2024, 23,800 sq m of retail space has been completed in projects with a sales area of more than five thousand sq m. Máj Národní was reopened after reconstruction, offering a combination of shops, services, restaurants, and entertainment on an area of more than 17,000 sq m. The new Tesco store is available on the first underground floor. The retail park S1 Centre Slaný was newly completed with 10 retail units on a total sales area of 6,800 sq m.

Newly opened shopping centres and retail parks in H1 2024

PROPERTY NAME	TOWN	AREA (sq m)
Máj Národní	Prague	17,000
S1 Centre Slaný	Slaný	6,800

At the end of the first half of 2024, there were 87,200 sq m of retail space under construction and refurbishment in projects with a sales area of more than five thousand sq m. New projects under construction were Retail park Kozomín, which, after opening in the first quarter of 2025, will offer 16 retail units on an area of over 14,000 sq m, and the Obchodní centrum Jindřichův Hradec with an almost identical sales area, which is planned for completion in the fourth quarter of this year.

The major reconstruction of the Kotva department store has begun, and its reopening is scheduled for autumn 2026. The expansion of the Černý Most shopping centre, which will add 9,100 sq m and 32 new retail units, has also started, and its opening is planned for autumn 2025. The reconstruction and extension (12,500 sq m) of the Varyáda shopping center in Karlovy Vary and the reconstruction of the Grand Pardubice shopping center continued.

The reconstruction of the Nisa Liberec and Central Most shopping centres is entering its final stage.

The expansion of the Galerie Teplice shopping center is being prepared and should start in the third quarter of this year. Similarly, the planned expansion of the Retail park Ovčáry in Kolín aims to double its sales area and is scheduled for completion in mid-2026. More than 57,000 sq m are under construction in projects of smaller retail parks with a sales area of up to five thousand sq m.

In Q1 2024, retail properties were the most traded type of asset, representing 74% of all investments in this period due to the sale of Arkády Pankrác shopping centre, while in Q2 2024 it was only 1%. Prime yields for shopping centres remained stable at 6.25%, while those for high street compressed slightly to 5% and those for retail parks to 6%.

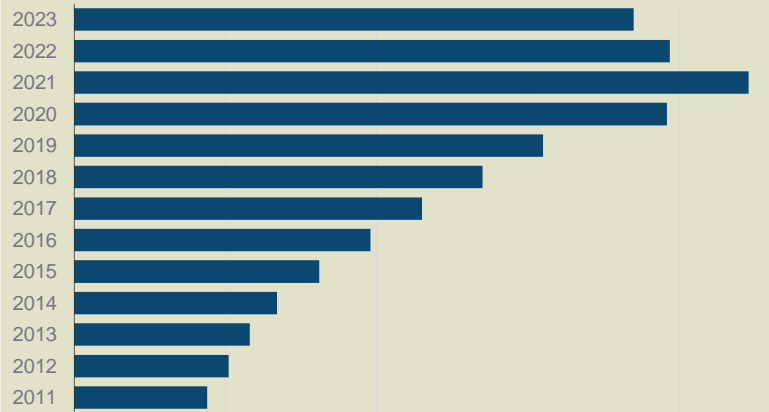
E-COMMERCE

According to data from the Heureka Group, sales in domestic e-shops started to grow again from the beginning of 2024, after a decline of 6% in 2023. Compared to the same period last year, sales increased by 4% in the first quarter of this year and by 3% in the second quarter. Customers continued to make purchases that they had postponed in times of high inflation because of the high purchase price.

The volume of orders increased slightly in Q2 2024, but the average price per order fell slightly by 8%. The e-commerce market continued to consolidate, accompanied by a certain saturation of customers' shopping needs, as some e-shops recorded double-digit growth, while others experienced double-digit declines.

Czech E-commerce Turnovers

billion CZK



Source: APEK, Heureka.cz



RENTS

In the first half of 2024, prime shopping centre rents in Prague remained stable at around €140 per sq m per month. Rents in Prague's high streets were around 200 - 220 EUR per sq m per month. However, the rents here, especially the rents in Pařížská Street, are under upward pressure due to lack of available space.



Prime Rents



HIGH STREET

200 - 220 EUR / sq m / month



SHOPPING CENTRES

140 EUR / sq m / month



MARKET NEWS

- The discount chain Dealz, which is part of the same group that owns Pepco, is poised to enter the Czech market. It will offer a range of goods at discounted or very low prices.
- The opening of the first Czech branch of the famous American fast-food chain Five Guys in the renovated Máj Národní is planned for autumn this year.
- In the near future, other major players in the field of fast gastronomy are also going to enter the Czech market. For example, the Wendy's chain known for its hamburgers and Five Pie, a fast food focused on pizza.
- Electro World stores are renamed to Datart on our market, and on the Slovak market to Nay. The decision follows the merger of the HP Tronic Zlín group, which Datart belongs to, and the Slovak Nay, which includes Electro World stores.

DEFINITIONS

Stock:

Total completed stock of modern shopping centres, retail parks and outlets above 5,000 sq m of sales area, delivered or refurbished since 1992.

New supply:

Completed newly built or refurbished shopping centres, retail parks and outlets above 5,000 sq m of sales area that obtained a use permit in the given period and were opened to the public.

Prime headline rent:

Achieved rents in prime shopping centres and high street in unit of approximately 100 sq m for fashion tenants, achieved rents in retail parks in units of 500 - 1,000 sq m.

If you have any question about our research or you would like some property advice, we would love to hear from you.



Author:
Pavla Kubíková
Senior Researcher
+420 220 720 028 221
pavla.kubikova@cz.knightfrank.com



Lenka Šindelářová
Head of Research and Consultancy
+420 602 773 592
lenka.sindelarova@cz.knightfrank.com



Zdenka Klapalová
Partner
+420 602 610 135
zdenka.klapalova@cz.knightfrank.com