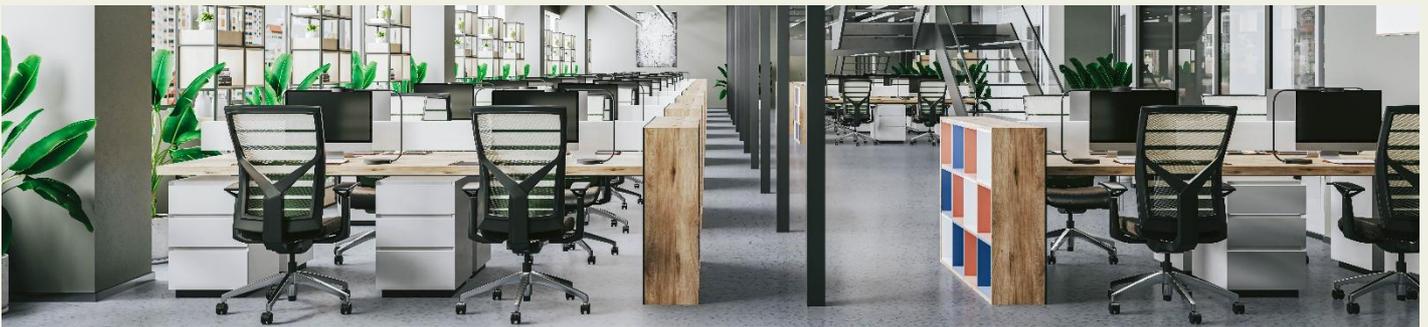


Prague Office Market

Q4 2025

A regular quarterly update on the Prague office market looking at supply and demand patterns and analysing major occupier trends

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- Vacancy continued to decline in the final quarter of 2025 and is currently at its lowest level since the beginning of 2020. Given the limited new supply this year, we expect vacancy to continue falling over the course of the year. Although a higher volume of new office space is scheduled to be delivered in 2027 and 2028, the majority of it is already occupied.

SUPPLY & VACANCY RATE

Two office buildings were completed in Q4, the PernerKarlín project (9,300 sq m) in Prague 8 and the refurbishment of the Panorama Airport Building (2,000 sq m) in Prague 6. In total, only five office projects were completed in Prague during 2025, delivering 26,600 sq m of office space. New supply will remain limited in 2026 as well, amounting to 36,700 sq m. A total of 263,300 sq m of office space is currently under construction, with completion scheduled for 2026–2028. During Q4, construction commenced on two projects: Passerinvest Group began construction of the Orion building (19,300 sq m) in Prague 4, while Mount Capital started the refurbishment of the second phase of the E Factory project (5,200 sq m) in Prague 9.

Vacancy decreased year-on-year by a further 134 basis points to 5.9%. The highest vacancy rates were recorded in Prague 10 (12.2%) and Prague 3 (10.6%). By contrast, the lowest vacancy levels remained in Prague 2 (1.8%) and Prague 8 (3.3%).

Key Occupier Market Figures

Quarterly & Annual Net Take-up

2025
Q4 2025
 307,100 sq m
60,900 sq m

Prime Rent

€30.00 sq m/month

Vacancy Rate

5.9%

Under Construction

263,300 sq m
36 % available

New Supply and Vacancy Rate



Source: Knight Frank Research, Prague Research Forum

DEMAND

Gross take-up (including renegotiations and subleases) reached 143,400 sq m in Q4 2025, representing a quarter-on-quarter decline of 19%. Year-on-year, demand decreased by 24%. For the full year 2025, a total of 573,200 sq m of office space was leased or renegotiated in Prague, representing a drop of 10% compared to the record year 2024.

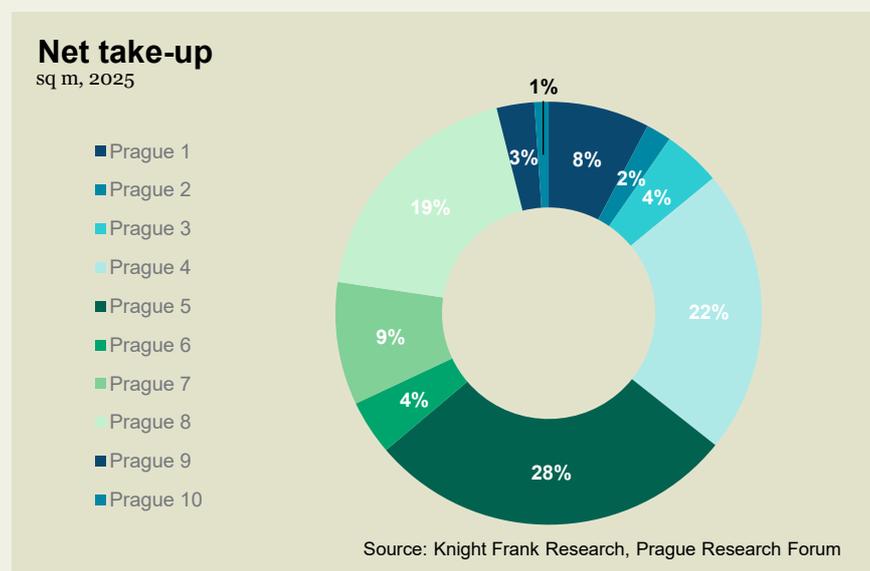
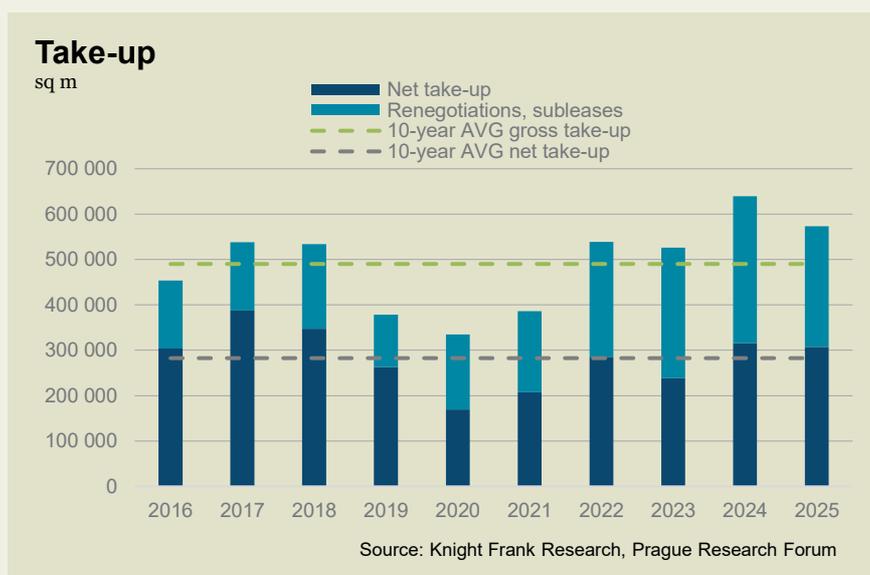
Renegotiations accounted for 56% of activity in Q4 2025. New leases and expansions represented 42%, while the remaining 2% comprised subleases. Net take-up (excluding renegotiations and subleases) totalled 60,900 sq m in Q4, marking a 31% decrease compared with the previous quarter. For the whole of 2025, net take-up amounted to 307,100 sq m, down 3% year-on-year.

The highest net take-up in Q4 2025 was recorded in Prague 4 and Prague 5 (both 29%), followed by Prague 7 (11%). Over the course of 2025, the largest share of new leases was concluded in Prague 5 (28%), followed by Prague 4 (22%) and Prague 8 (19%).

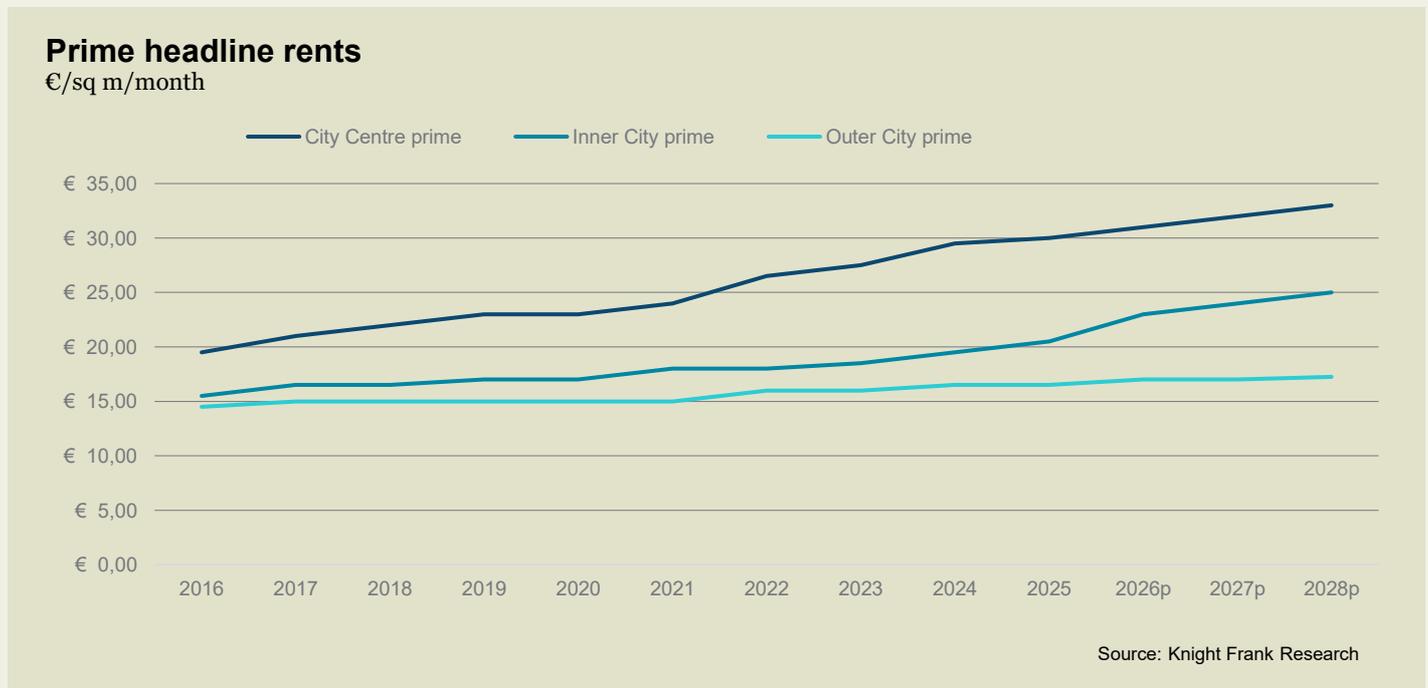
In Q4, technology companies together with retailers and e-commerce firms accounted for the highest share of new leases and expansions (14%). In terms of annual net take-up, companies from the financial services sector dominated (20%), followed by the energy sector (15%) and the professional services sector (14%).

The largest transaction of Q4 2025 was the renegotiation of Siemens' lease in the City West project (21,900 sq m) in Prague 5. Other notable transactions included the renegotiation of Johnson & Johnson's lease in the Mechanica 01 building (10,600 sq m) in Prague 5, as well as the renegotiation by a consumer goods tenant in Building B at Brumlovka (8,900 sq m) in Prague 4.

Although demand in 2025 declined year on year, the previous year was record-breaking. Despite this decrease, demand remained above the long-term average. Further growth continues to be constrained primarily by a lack of available space.



- ▶ We are seeing upward pressure on rents, particularly in projects currently under construction, as achieved rental levels need to cover higher construction costs. As a result, a gradual increase in rents is inevitable.

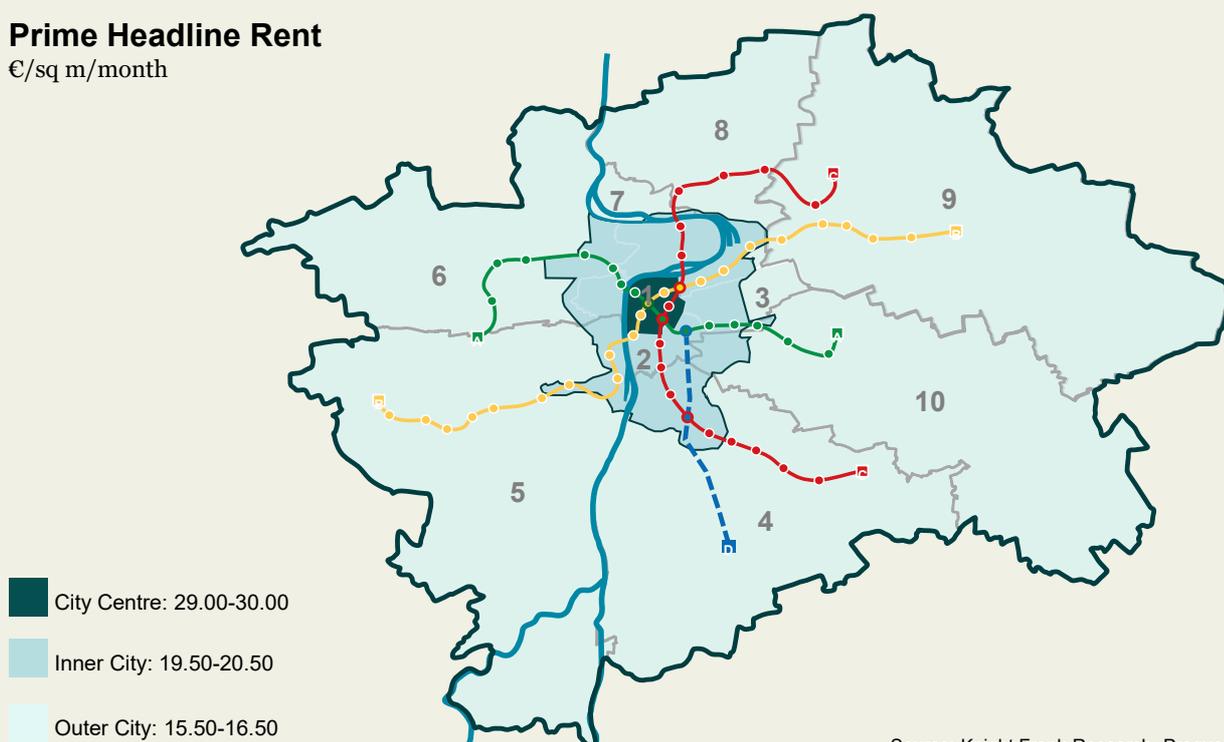


PRIME HEADLINE RENT

In Q4 2025, prime headline rents remained stable at €29.00-30.00 per sq m per month in the city centre, at €19.50-20.50 per sq m per month in the inner city and €15.50-16.50 per sq m per month in the outer city.

Prime Headline Rent

€/sq m/month



Focus

Prague Office Development Pipeline

PIPELINE DEVELOPMENT

More than 260,000 sq m of office space is currently under construction. Additionally, there are almost 470,000 sq m of future office pipeline projects. Combined, this represents approximately 15% of the total current office stock, that should be added in the next 5 years and beyond. Compared to the previous years, between 2020-2026, new supply of 480,600 sq m has been added to the market.

HIGHEST DEVELOPMENT IN INNER CITY

Almost three quarters of the pipeline and ongoing construction projects are located in the Inner City (70%). Outer City submarket (21%) follows, while City Centre development remains limited (9%). This reflects occupier preference for accessible, amenity-rich locations, but also land availability constraints in the centre.

Transport connectivity continues to play a critical role in development activity, as the majority of pipeline projects are located near metro stations, or existing transport infrastructure.

DISTRICTS OFFICE DEVELOPMENT

Future office development is heavily concentrated in a small number of districts, underlining the importance of established decentralised office locations. Prague 4 accounts for the largest share of the pipeline, with over 155,000 sq m.

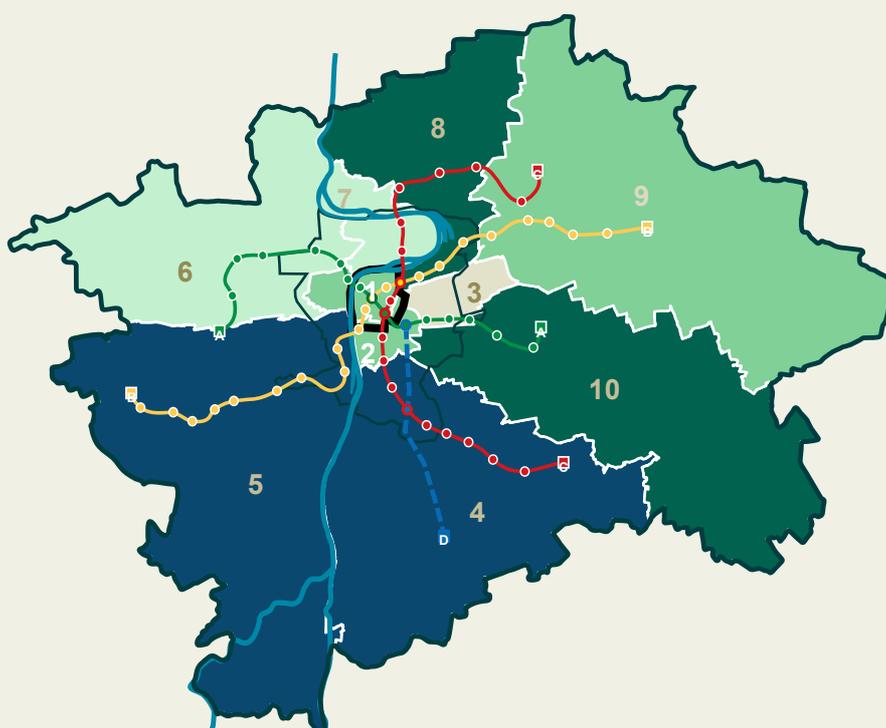
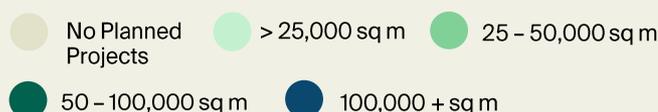
Whereby nearly half of all projects currently under construction are located in Prague 5, totalling 122,000 sq m. This is led by the Česká Spořitelna and ČEZ headquarters.

Prague 10, and Prague 8 also feature prominently, while development activity in central districts remains limited due to land constraints.

► *Development is ongoing mainly on the last former Brownfields in inner city areas including Rohan island, Smíchov railway station and in the future, Bubny will unlock its full development potential.*

It remains to be seen, however, whether all the pipeline projects will be developed as anticipated, as some may be converted into residential use or delayed. Given the strong growth in residential prices, the return on investment may be higher in residential projects in certain peripheral locations.

Pipeline & UC Office Space sq m by City District



DEFINITIONS

Stock: Total completed office space (occupied and vacant), newly built since 1990 or refurbished, A and B class offices, owner occupied and for lease. Buildings fewer than 1,000 sq m are excluded.

New supply: Completed newly built or refurbished buildings that obtained a use permit in the given period.

Take-up: A gross figure representing the total floor space known to have been let or pre-let, sold or pre-sold to tenants or owner-occupiers over a specified period. It does not include space that is under offer. A property is taken up when the contract is signed. Total take-up includes renegotiations, lease extension and subleases, net take-up excludes these.

Vacancy rate: Ratio of physically and contractually vacant space in completed buildings on the total stock.

Sublease: Space offered for lease by a tenant who is contractually obliged to occupy the premises for a longer period than what they need.

Prime rent: Achieved headline rents that relate to new prime, high specification units in prime locations. However, there might be exceptional assets on the market, in which higher rent could be achieved.

Pokud máte dotazy k našim datům, nebo byste chtěli získat další informace či realitní poradenství, obraťte se na nás, rádi poradíme.



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