

Retail Market Czech Republic

H2 2024

A regular update of retail market
in the Czech Republic

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Overview

Total Retail Stock



4.02 m sq m

New Supply H2 2024



26,800 sq m

Under Construction and Refurbishment



115,500 sq m

Retail Sales (2024)



+4.6%

At the end of H2 2024, the total lettable retail area exceeded 4.02 million sq m.

In H2 2024, 26,800 sq m of retail space was completed in projects with a sales area of more than five thousand sq m and a further 46,000 sq m in projects with a smaller area.

In total 115,500 sq m of retail space was under construction and refurbishment in projects with a sales area of more than five thousand sq m.

In H2 2024, prime shopping centre rents in Prague remained stable at the level of €140 per sq m per month as did high street prime rents which remained at €200 - 220 per sq m per month.

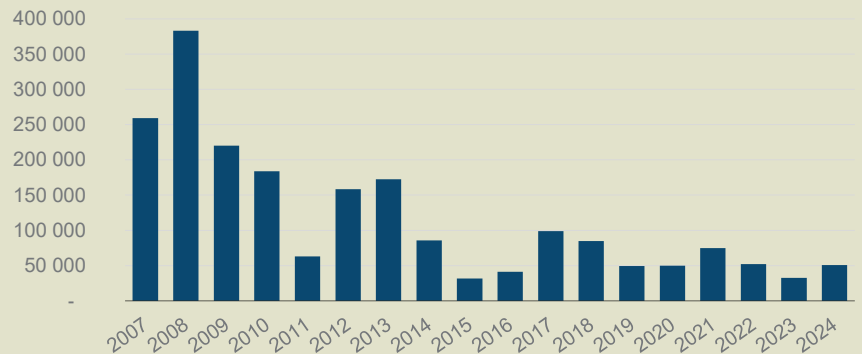
In 2024, retail properties accounted for the largest share (35%) of the total annual investment volume, mainly thanks to two transactions, namely Arkády Pankrác and Centrum Černý Most.



Photo source: westfield.com/czech-republic

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

The performance of the Czech retail sector improved in 2024. Shopping centre sales have increased significantly, even after adjusting for inflation and have already surpassed sales in the strong pre-Covid years. Footfall in shopping centres has also increased but has not yet fully returned to pre-Covid levels. Retail parks are also performing well and are attractive to retailers in terms of expansion, whether it is new construction or expansion of existing parks.

According to the Czech Statistical Office, retail sales grew in real terms by 4.6% year-on-year in 2024, including non-food by 6.1%, fuel by 5.1% and food by 2.4%.

At the end of H2 2024, the total lettable retail area reached almost 4.02 million sq m. In H2 2024, 26,800 sq m of retail space has been completed in projects with a sales area of more than five thousand sq m. The Obchodní centrum Hvězdárna in Jindřichův Hradec was completed with 17 business units and a total sales area of 13,900 sq m. The second phase of the reconstruction of the Obchodní centrum Kukleny in Hradec Králové was completed with the opening of a new 5,500 sq m retail park. The shopping centre itself underwent a reconstruction in 2023, when a number of new units were created, and the food court was renewed. The first phase of the S1 Center Liberec retail park with a sales area of 5,200 sq m has been opened on the site of the former OBI in Liberec Staré Pavlovice. The second phase of this project is currently under construction and will provide a further 2,300 sq m when completed. In 2024, 51,400 sq m of retail space was completed in projects with a sales area of more than five thousand sq m and a further 63,000 sq m in projects with smaller area.

Newly opened shopping centres and retail parks in H2 2024

PROPERTY NAME	TOWN	AREA (sq m)
Obchodní centrum Hvězdárna	Jindřichův Hradec	13,900
Retail park Kukleny	Hradec Králové	5,500
S1 Center Liberec	Liberec (Staré Pavlovice)	5,200

At the end of 2024, 115,500 sq m of retail was under construction and refurbishment in projects with a sales area of more than five thousand sq m. The construction of OC Kaskáda in Brno Ivanovice started, which will offer 21 commercial units on an area of 10,800 sq m after opening at the end of 2025. Olympia Teplice shopping centre is expanding with a new retail park with 13 units on a sales area of 8,300 sq m. In Vimperk, construction launched on a new retail park with a sales area of 5,500 sq m. S1 Center Chomutov will be expanded by a further 4,800 sq m and S1 Center Dvůr Králové nad Labem by a further 4,700 sq m. S1 Center Pardubice is also undergoing reconstruction, the sales area of the Albert hypermarket was reduced. In the second stage new units with a sales area of 3,500 sq m and in the third stage additional units with a sales area of 10,400 sq m will be built. When completed, the shopping centre will have a total area of 18,400 sq m.

The construction of the Kozomín Retail Park is entering its final stage. A McDonald's branch already opened here in mid-December. The retail park itself will be completed in February 2025.

The extensive reconstruction of the OC Nisa shopping centre in Liberec and the Kotva department store is continuing, as is the extension of the Černý Most shopping centre, the renovation and completion (12,500 sq m) of the Varyáda shopping centre in Karlovy Vary and the renovation of the Grand Pardubice shopping centre.

In the Q4 2024, investments in retail properties dominated accounting for 34% of the total investment volume. In 2024, retail properties accounted for the largest share (35%) of the total annual investment volume, mainly thanks to two transactions, namely Arkády Pankrác and Centrum Černý Most. In Q4 2024, the prime yield for shopping centres declined slightly to 6.00%, as did the yield for prime properties on high streets to 4.75%. The yield for retail parks, remained stable at 6.00%.

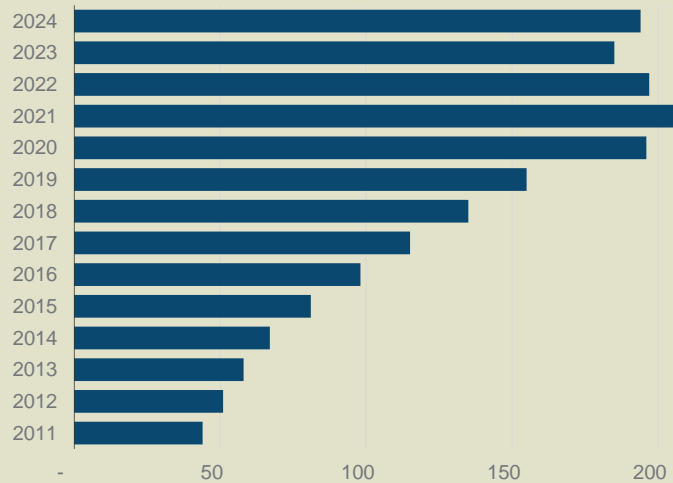
E-COMMERCE

According to data from the Heureka Group, sales in domestic e-shops increased by 5% year-on-year in 2024, reaching 194 billion crowns. The year 2024 was a period of gradual growth for Czech e-shops, with the last quarter traditionally being the strongest, but growth was balanced across all quarters. Categories related to sustainability (solar accessories) and leisure activities saw the most significant growth in 2024.

Moderate consolidation continued and the number of e-shops decreased slightly. On the other hand, the adaptability of the majority of Czech online shops, which were able to cope with the challenging situation and the entry of foreign marketplaces from outside of the EU, was confirmed. In 2025, growth is expected to be at a similar level as in 2024.

Czech E-commerce Turnovers

billion CZK



Source: APEK, Heureka.cz



RENTS

In the second half of 2024, prime shopping centre rents in Prague remained stable at around €140 per sq m per month as did rents in Prague's high streets which remained at €200 - 220 per sq m per month. In the case of Pařížská Street, where there is a lack of available space, it may be even higher. Prime retail park rents ranged between €13.50-14.50 sq m/month.



Prime Rents



HIGH STREET

€200 - 220 sq m / month



RETAIL PARKS

€14.50 sq m / month



SHOPPING CENTRES

€140 sq m / month



Photo source: woolworth.de

MARKET NEWS

- The Hungarian real estate investment fund Shopper Park Plus, a member of the Adventum group, which directly or indirectly owns 18 shopping centres in Hungary and the Czech Republic, launched the new Shopland brand on the Czech market, which became the new identity of the shopping centres and retail parks previously known as OC Galerie Třebovice, OC Silesia Opava, OC Fontána Karlovy Vary and Retail Park Chrudim.
- Furniture chain XXXLutz is taking over the Porta Group and with it around 140 Asko stores in Germany, the Czech Republic and Slovakia. In the Czech Republic, it concerns 14 stores.
- In 2024, a record number of new brands entered the Czech market, the most famous of which were e.g. Parfums Christian Dior, the American perfumery Le Labo, Balmain Hair Couture or the Belgian fashion brand Bikkembergs.
- Other new brands are going to enter the Czech market in 2025, such as the German discount store Woolworth, the Polish discount store Dealz, the German chain dean&david, which specialises in salads and healthy food in general, and possibly the German drugstore chain Müller.

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 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.



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