

Czech Investment Market



Q2 2025	A regular investment market update on the Czech real estate market	www.knightfrankprostory.cz/novinky-a-trendy www.knightfrank.com/research
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The first six months of 2025 showed a revival in the investment market and increased investor activity, which was supported by significant capital inflows into real estate funds due to the decline in interest rates.

- Despite increased uncertainty in global markets, the Czech real estate market remains very resilient and investors have not slowed down their activity. There is also a larger number of transactions in progress across segments such as office and retail properties, which we expect to close by the end of this year.

CZECH INVESTMENT MARKET

In the second quarter of 2025, real estate investments exceeded €660 million, which is 38% more than in the same period last year.

In the first six months of this year, almost €2.15 billion were traded, two and a half times more than in the first half of 2024.

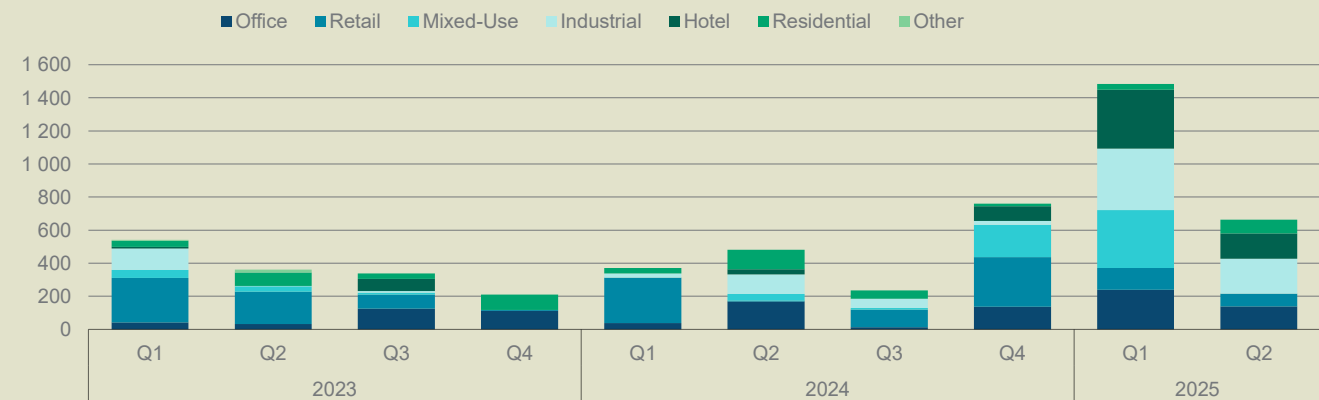
In the second quarter, industrial properties had the largest share of investment volume (32%), followed by hotels (23%), offices (21%), residential (13%) and retail transactions (11%).

The share of Czech capital in the second quarter reached 90% of the total volume of all investments.

Overview

Q2 2025	Prime Yields
Offices	5.25%
Shopping Centres	5.75%
Retail Parks	5.75%
High Streets	4.50%
BTR	4.50%
Industrial & Logistics	5.00%

Investment volume € million



Source: Knight Frank Research

MAJOR INVESTMENT TRANSACTIONS

The largest transaction of the second quarter was the acquisition of the luxury hotel near Charles Bridge, Four Seasons Hotel Prague. It was acquired by PPF Real Estate, with minority co-owners being investor Michal Strnad (CSG) and Tomáš Otruba.

Other significant acquisitions include the Visionary office building in Prague 7, purchased by Conseq, and the Stará Celnice complex in Prague 1, which includes both office and retail spaces. The investor is Fio real estate fund.

Urban Developers and Investors (UDI) sold the Sázava Logistics Park at the D1 highway. The buyer is Segro European Logistics Partnership (SELP). The attractiveness of the logistics segment, where the supply of assets is relatively limited, is confirmed by other transactions this quarter.

In the residential real estate segment, the acquisition of the Stodůlky Residential rental project by REICO ČS Nemovitostní is noteworthy.

The Knight Frank data include investment transactions of income-generating properties including forward purchase transactions.

We are passionate about answering your questions. If you've got one about our research or you would like some property advice, we would love to hear from you.



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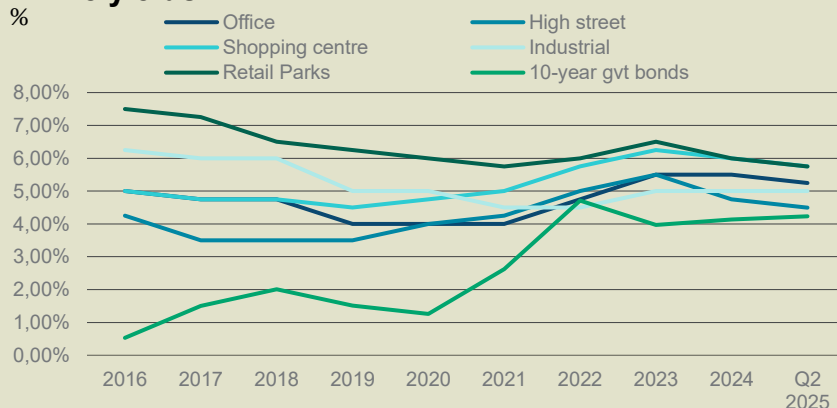
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Yields remained stable, with a slight, 25 bps compression in shopping centres and retail parks.

The strength of Czech capital, which is executing even the largest transactions on the market that were traditionally the domain of foreign institutional investors, along with a number of transactions in progress, suggests that this year could be very strong for real estate investments. The investment volume could reach €4 billion this year. Historically, the strongest years were 2016 and 2017, with total investments of €3.9 and 3.6 billion, respectively.

The European Central Bank (ECB) lowered its key interest rate to 2.15% in June, further increasing the attractiveness of European real estate in a global context. The Czech National Bank (ČNB) lowered its key interest rate to 3.5% in May.

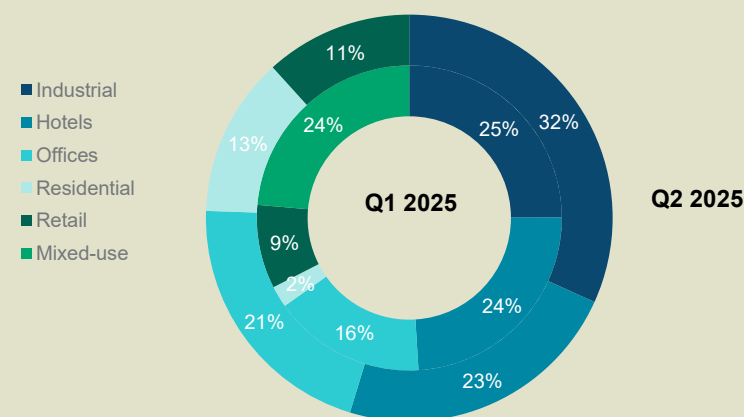
Prime yields



Source: Knight Frank Research

Real estate investment in Q1 - Q2 2025

€ million



Source: Knight Frank Research