

Czech Investment Market

Q1 2026

A regular investment market update on the Czech real estate market







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Offices are expected to dominate investment activity this year, supported by transactions that are currently under negotiation. The development of yield levels will continue to depend primarily on further changes in financing costs.

- Between January and March, we recorded an increased volume of investment in both residential and hospitality sectors. This development reflects both the positive momentum in Prague’s tourism market and the continued strengthening of the institutional rental housing segment, along with its gradual diversification.

Overview

Q1 2026	Prime Yields
 Offices	5.00%
 Shopping Centres	5.75%
 Retail Parks	5.75%
 High Streets	4.25%
 BTR	4.50%
 Industrial & Logistics	5.00%

CZECH INVESTMENT MARKET

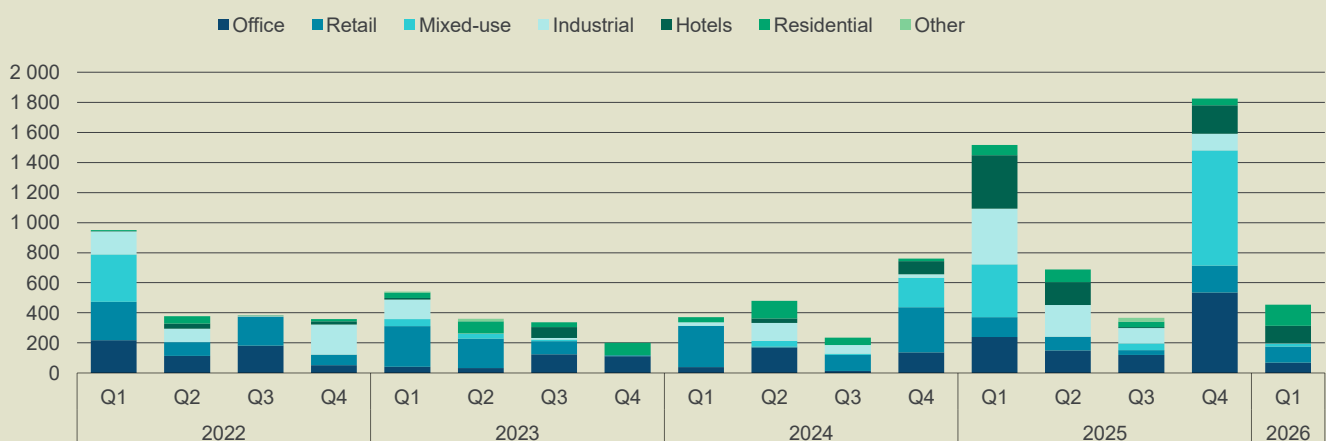
Following a record-breaking fourth quarter of 2025, we recorded a decline in investor activity in the first quarter of 2026.

In the first quarter, investment transactions totalling more than €450 million were completed.

Rental housing accounted for the largest share of quarterly investment volume in the first quarter (31%), followed by hotels (26%) and offices with a 23% share.

Czech investors completed 77% of real estate investments in the first quarter.

Real Estate Investment Volume € million



Source: Knight Frank Research

SIGNIFICANT INVESTMENT TRANSACTIONS

The four-star Vienna House Andel's Prague hotel was acquired in the first quarter by Cimex Group, the owner of the Orea Hotels & Resorts chain.

Another significant hotel transaction was the acquisition of the Augustine Hotel in Prague 1, Malá Strana, by Kempinski Hotels.

The NovoPlaza shopping centre in Prague 4 was acquired by NVD Gallery.

The qualified investors' fund FKI REICO EPB I purchased 207 apartments in the Kaskády Barrandov residential rental housing project from FINEP. The transaction concerns residential buildings T and U, with planned completion in 2028.

Dostupné Bydlení České spořitelny completed two transactions: the newly finished Residence Johann in Harfa Park, Prague 9, comprising 220 apartments, and Barrandov Residence, comprising 174 apartments within the Kaskády Barrandov project.

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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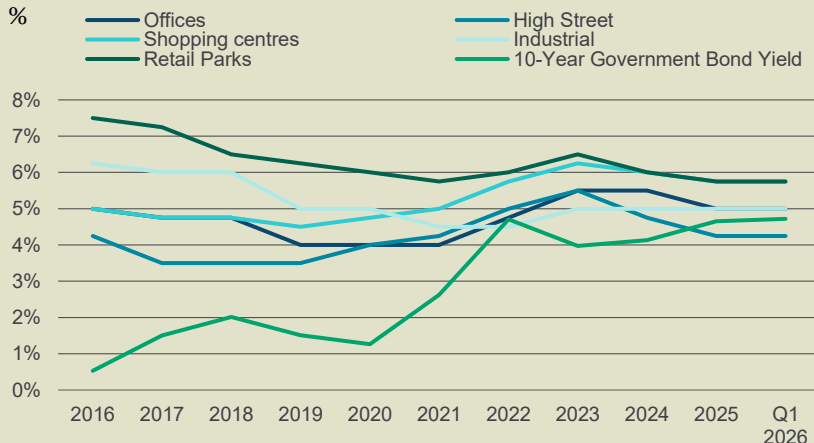
Yield levels remained stable in the first quarter of this year.

Both the European Central Bank and the Czech National Bank kept interest rates unchanged.

The conflict in the Middle East is significantly increasing inflation expectations. Five-year euro swap rates have risen by 50 basis points over the past month and a half, increasing financing costs.

Further development of yield levels will depend on the future evolution of financing costs.

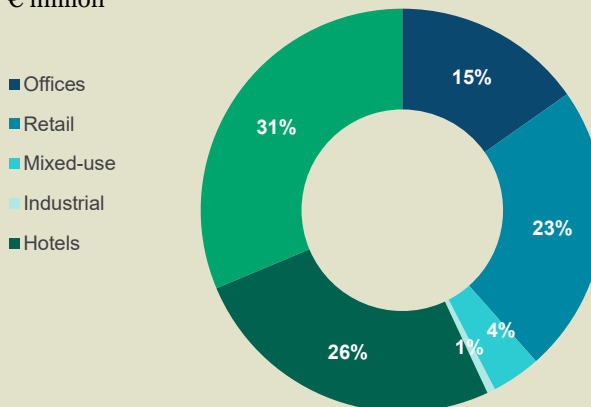
Prime Yields



Source: Knight Frank Research

Investment by Sector

€ million



Source: Knight Frank Research