

# Prague Office Market

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## Quarterly Statistics

### Total Stock

**3.95**  
million sq m

Q3 2023: 3.91 mil. sq m  
YoY change: +1%

### Gross Take-Up

**132,600**  
sq m

Q3 2023: 85,600 sq m  
YoY change: +55%

### Net Take-Up

**48,200**  
sq m

Q3 2023: 42,200 sq m  
YoY change: +14%

### Vacancy Rate

**8.1**  
%

Q3 2023: 7.3%  
YoY change: +55 bps

### Completions

**1,400**  
sq m

Q3 2023: 60,400 sq m  
YoY change: -98%

## Economic Indicators<sup>1</sup>

### GDP Growth

**+0.6%**  
(in Q2 2024, YoY)

2023: -0.4%  
2024 Forecast: +1.1%

### Inflation

**2.6%**  
(in Sept 2024, YoY)

2023: +10.7%  
2024 Forecast: +2.2%

### Policy Rates

**3.6%**  
3M EURIBOR<sup>2</sup>

2023: 3.4%  
2024 Forecast: 3.6%

### Unemployment

**2.7%**  
(in Aug 2024)

2023: 2.6%  
2024 Forecast: 2.8%

### Gross Monthly Salary

**€1,544**  
(national median)<sup>3</sup>

Q2 2023: €1,561  
YoY change: +4.7%

<sup>1</sup> Based on the data available on 15/10/2024 (Source: Czech Statistical Office, Czech National Bank, Ministry of Finance, European Central Bank)

<sup>2</sup> Q3 2024 average

<sup>3</sup> in Q2 2024

# Office market highlights

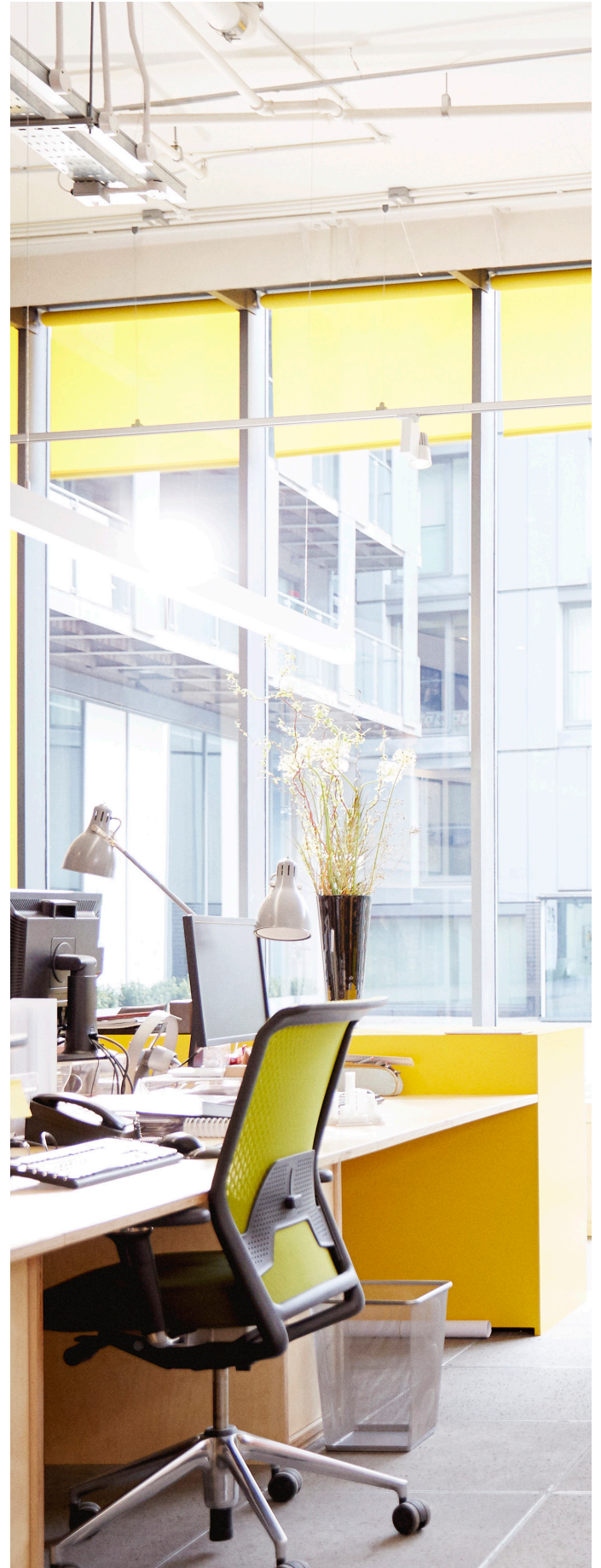
- The modern office stock in Prague saw only a slight increase during Q3 2024, remaining just above 3.95 million sq m.
- In the first nine months of 2024, 69,500 sq m of new office space was completed, marking a 29% decrease compared to the same period in 2023.
- Since the start of the year, Prague's office vacancy rate has risen from 7.4% to 8.1%, the highest level recorded so far this year. This vacancy rate represents 318,200 sq m of immediately available office space and is 78 bps higher than the same period in 2023.
- Total leasing activity for the first three quarters reached 458,100 sq m, a y-o-y increase of 27%. Renegotiations of existing leases accounted for over 49% of the gross take-up, similar to the same period last year.
- Net demand also rose by 26% y-o-y, totalling 222,800 sq m in the first three quarters. Thanks to the ČS transaction, the financial sector has been the most active, representing 44% of year-to-date net demand.
- Headline rents for Class A offices stabilized in both central Prague and the outskirts, with a slight increase observed in the wider city centre.

## Quarterly market statistics

Key Market Indicators	Gross Take-up (sq m)	Net Take-up (sq m)	New Completions (sq m)	Vacancy at Quarter End
Current quarter	132,600	48,200	1,400	8.1%
Previous quarter	219,000	128,800	46,300	7.9%
YoY movement	+55%	+14%	-98%	+55 bps

## Cumulative year-to-date market statistics

Key Market Indicators	Gross Take-up (sq m)	Net Take-up (sq m)	New Completions (sq m)	Total Stock (sq m)
YTD figures	458,100	222,800	69,500	3,951,500
YoY movement	+27%	+26%	-29%	+1%



# Market Review Q3 2024

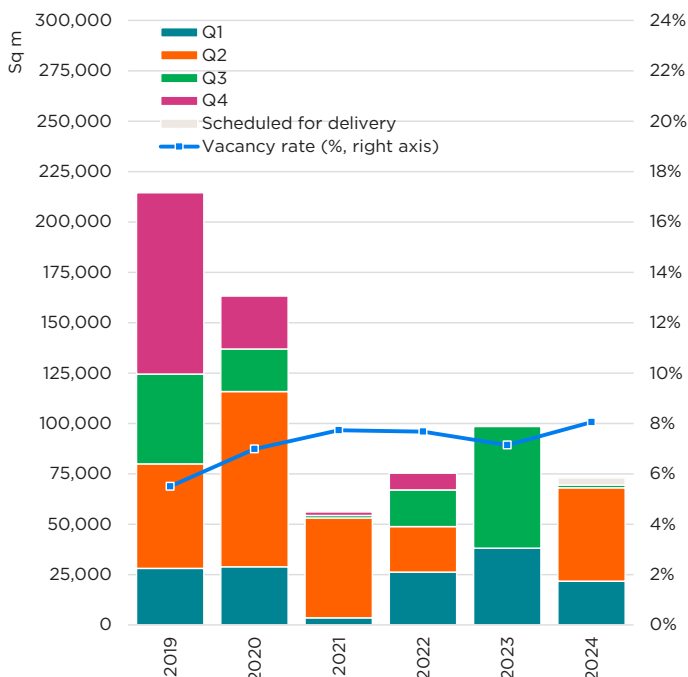
## New Supply and Construction Pipeline

- In Q3 2024, Prague's total office stock saw a slight increase to over 3.95 million sq m. This growth was driven by the completion of the River Office House refurbishment in Prague 7, adding 1,400 sq m to the market. Upon completion, 80% of this space was already leased.
- While 16% of the total office stock is located in the city centre, the largest share (60%) is concentrated in the wider centre. The remaining 24% is found in the outer and peripheral districts. The most developed office markets remain Prague 4 (958,200 sq m), Prague 5 (678,100 sq m), and Prague 8 (647,000 sq m).
- The trend of no new office projects breaking ground resumed in Q3 2024. The total office space under construction now stands at 166,600 sq m, with the majority located in Prague 5 (72%) and Prague 4 (12%). Over 51% of this space has already been pre-leased.
- Most of this under-construction space (139,700 sq m) is projected for completion in 2027, while a single project of 3,500 sq m is set to finish by the end of 2024. This highlights the very limited volume of new office space expected to enter the market in the near future.

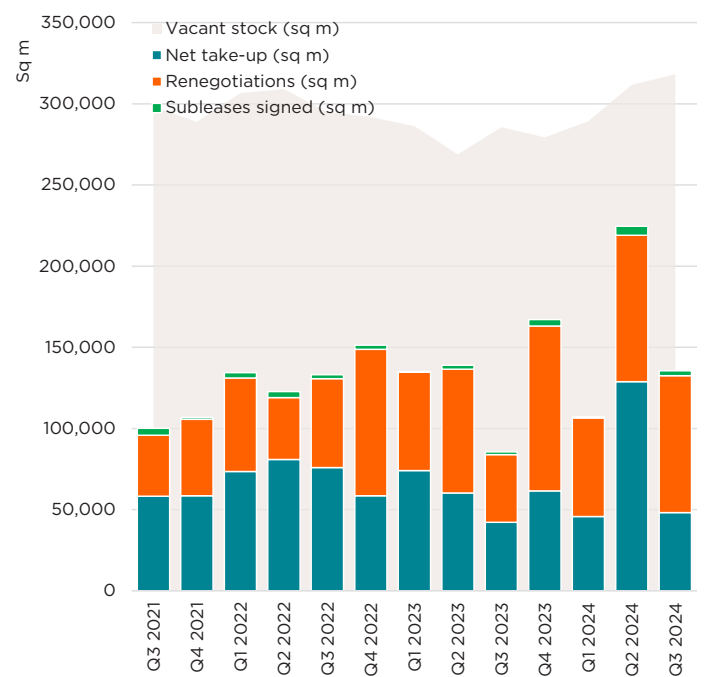
## Occupier Demand

- Gross take-up reached 132,600 sq m in Q3 2024, a 55% y-o-y increase. While activity fell by 39% from the previous quarter, it still surpassed the five-year Q3 average of 96,600 sq m.
- This quarter, renegotiations dominated the Prague office market, comprising over 61% of total activity. New leases and expansions accounted for 36%, while pre-leases represented only 1%. Subleases of existing office spaces made up a modest 2%.
- Prague 4 remained the most active city district this quarter, with signed transactions totalling 43,800 sq m, accounting for over 33% of the quarter's total demand. However, 68% of transactions in this district were renegotiations. The second most active submarket was Prague 8, capturing 20% of total demand, followed closely by Prague 5 with a 19% share.
- Net demand declined significantly by 63% from the previous quarter. However, if the record ČS\* transaction from Q2 is excluded, the q-o-q drop improves to just 10%. Compared to Q3 2023, net take-up increased by 14%. This quarter, the highest volume of new office leases came from manufacturing companies, public and non-profit institutions, and technology (IT) firms.

## New Supply



## Take-up



Data source: Prague Research Forum | \*) Construction of the new headquarters of Česká spořitelna in Smíchov, which will be used and owned by Česká spořitelna after completion.

# Market Review Q3 2024

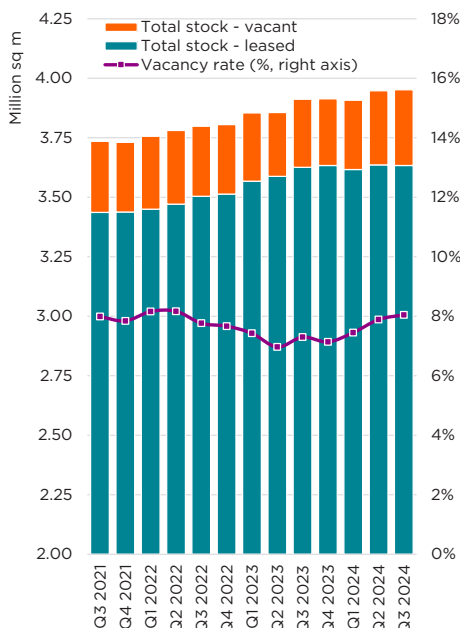
## Vacancy Rate

- The office vacancy rate continued to rise in Q3 2024, increasing by an additional 15 bps to 8.1%, the highest level recorded this year and the highest since H2 2022. In terms of available space, 318,200 sq m of office space was on the market across the capital. Additionally, around 39,000 sq m were offered for sublease at the end of Q3, a decrease of nearly 34% since the beginning of the year, with most of this space located in buildings in Prague 4 and Prague 8.
- Prague 3 (almost 18%) and Prague 7 (just under 17%) recorded the highest vacancy rates this quarter and have consistently ranked among the top for the long term. All other districts ended the quarter with vacancy rates below 12.5%. The lowest shares of unleased offices were found in Prague 2 (2%) and Prague 8, where the vacancy rate remained below 4%. The largest areas of vacant offices were typically seen in the major office districts, with 75,500 sq m available in Prague 4 and 58,100 sq m in Prague 5. In contrast, the city districts with the lowest volumes of vacant office space were Prague 2 and Prague 6.

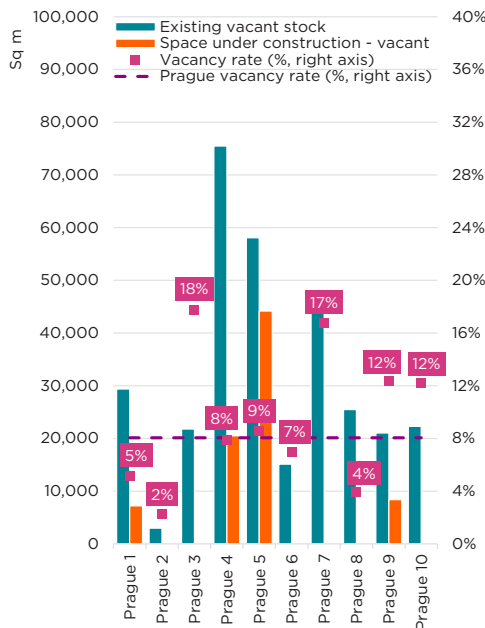
## Rent Levels

- In Q3 2024, headline rents for Class A offices in central Prague stabilized at €28.50 to €29.00 per sq m per month. Higher rates can still be found in recently constructed, top-quality buildings, where rents in prime locations (especially on higher floors) are close to €30. This trend reflects the sustained demand for premium office spaces in the heart of Prague. However, if rents in the centre reach a level that smaller companies can no longer afford, demand is likely to shift to more affordable locations.
- In the wider centre of Prague, the rent increased slightly from the previous €18.00–€19.00 per sq m per month to the current €18.50–€19.50, and in the peripheral parts of Prague it stabilized between €15.50–€16.50 per sq m per month.

## Existing Stock and Vacancy



## Vacancy in Prague Districts



## Glossary of used terms



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