

Prague Office Market

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Quarterly Statistics

Total Stock

3.96
million sq m

Q4 2023: 3.91 mil. sq m
YoY change: +1%

Gross Take-Up

185,100
sq m

Q4 2023: 166,500 sq m
YoY change: +11%

Net Take-Up

92,500
sq m

Q4 2023: 61,600 sq m
YoY change: +50%

Vacancy Rate

7.3
%

Q4 2023: 7.1%
YoY change: +24 bps

Completions

3,300
sq m

Q4 2023: 0 sq m
YoY change: n/a

Economic Indicators¹

GDP Growth

+1.4%
(in Q3 2024, YoY)

2023: -0.4%
2024 Forecast: +1.1%

Inflation

+3.0%
(in Dec 2024, YoY)

2024: +2.4%
2025 Forecast: +2.6%

Policy Rates

3.0%
3M EURIBOR²

2024: 3.6%
2025 Forecast: 2.1%

Unemployment

2.8%
(in Nov 2024)

2023: 2.6%
2024 Forecast: 2.6%

Gross Monthly Salary

€1,607
(national median)³

Q3 2023: €1,553
YoY change: +3.5%*

¹) Based on the data available on 16/1/2025 (Source: Czech Statistical Office, Czech National Bank, Ministry of Finance, European Central Bank); *) The YoY change is also influenced by fluctuations in the exchange rate.

²) Q4 2024 average

³) in Q3 2024

Office market highlights

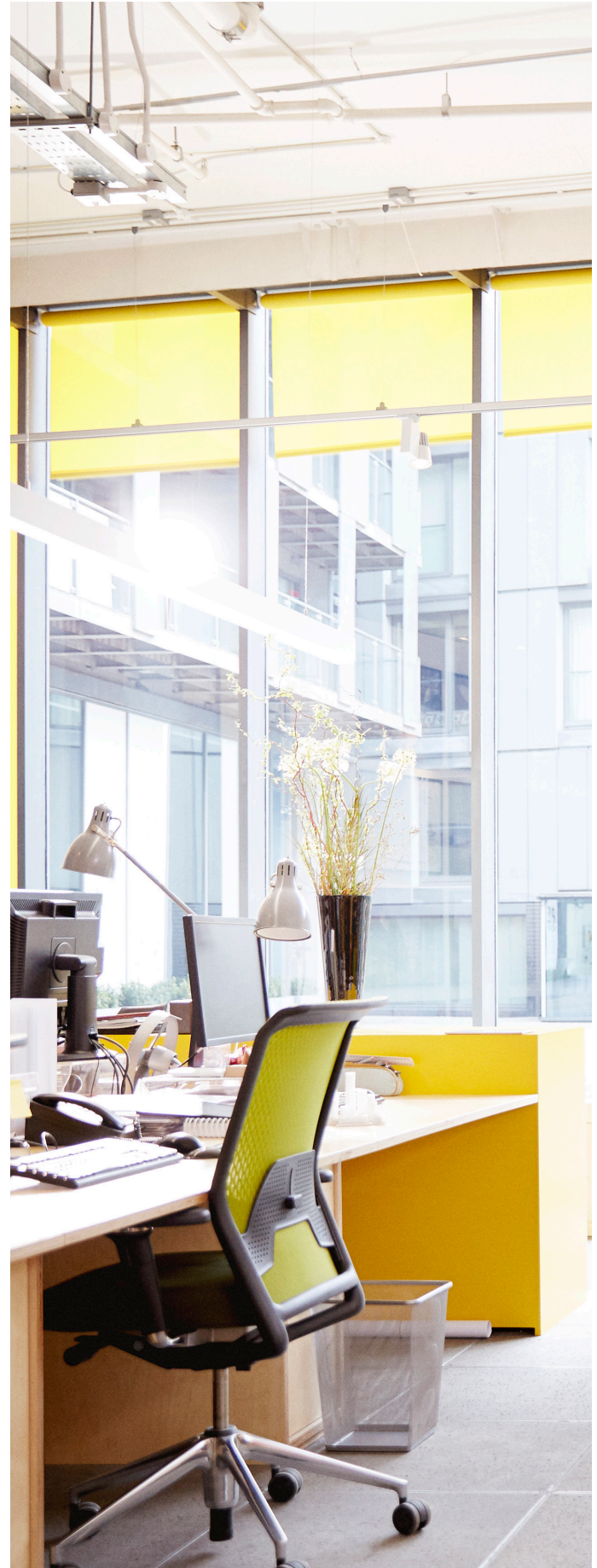
- At the end of 2024, the Prague office market totalled 3.96 million sq m of modern office space. With 72,800 sq m of new office supply, 2024 saw the lowest level of annual completions since 2019, reflecting a 26% decline in development activity compared to the previous year.
- By the end of the year, 290,700 sq m of office space was available for immediate lease in Prague. The city's office vacancy rate decreased over the past three months to 7.3%, although it remained 24 bps higher than a year ago.
- Gross take-up for 2024 reached a record 636,700 sq m, marking a 21% y-o-y increase and 43% growth compared to the five-year average. Renegotiations accounted for 49% of total demand in 2024, the second-highest share in the past decade, following a peak of 53% in 2023.
- Net demand reached 313,800 sq m in 2024, reflecting a 32% y-o-y growth. The completion of the ČS transaction* in Q2 helped push net occupier activity to its highest level since 2018, surpassing the five-year annual average by 34%. In 2024, net demand was primarily driven by companies in the Financial sector (37%), followed by Public/NGO organizations (11%) and Technology/IT occupiers (10%). The highest demand for new office space was concentrated in Prague 5, Prague 1 and Prague 8.

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	185,100	92,500	3,300	7.3%
Previous quarter	132,700	48,300	1,400	8.0%
YoY movement	+11%	+50%	n/a	+24 bps

Annual market statistics for 2024

Key Market Indicators	Gross Take-up (sq m)	Net Take-up (sq m)	New Completions (sq m)	Total Stock (sq m)
YTD figures	636,700	313,800	72,800	3,956,900
YoY movement	+21%	+32%	-26%	+1%



Market Review Q4 2024

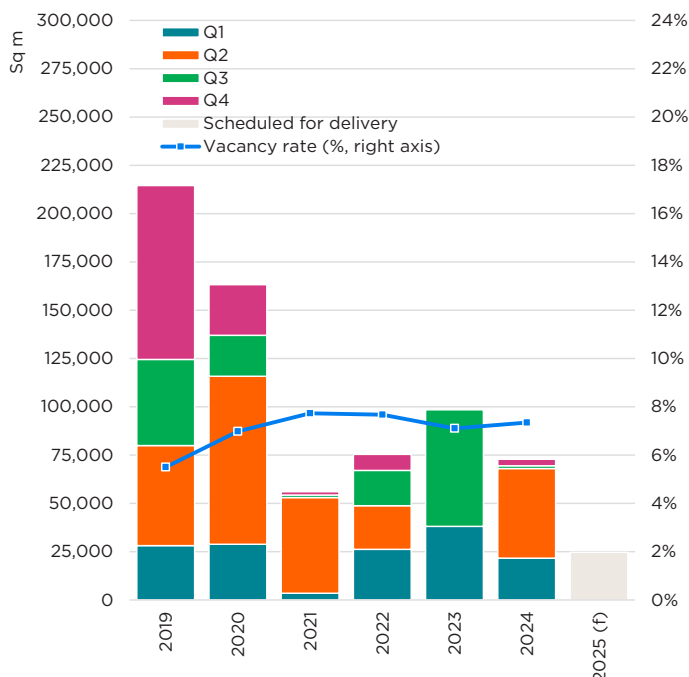
New Supply and Construction Pipeline

- In Q4 2024, Prague's total office stock expanded only marginally to 3.96 million sq m. During the quarter, the market saw the completion of just one project, the refurbishment of 100 Yards in Prague 1, which added 3,300 sq m of modern office space to the CBD market. At the time of completion, 26% of the building's area had already been leased.
- Grade A buildings dominate the market, accounting for 74% of the existing stock. The highest-quality AAA-rated spaces represent approximately 21% of the total, with the majority located in the Prague 8, Prague 4 and Prague 5 districts.
- No new construction or refurbishment projects were initiated in Prague during the second half of 2024. At the end of the year, the total volume of office space under construction stood at 164,300 sq m, with a pre-let ratio of 55%. Prague 5, particularly the Smíchov City project, remains the focal point for office development, accounting for the largest share of projects underway.
- The supply outlook for 2025 remains modest, with only 24,600 sq m of new office space expected. Notably, 60% of this space is already pre-leased, signalling strong demand for modern offices but limiting options for companies seeking new space.

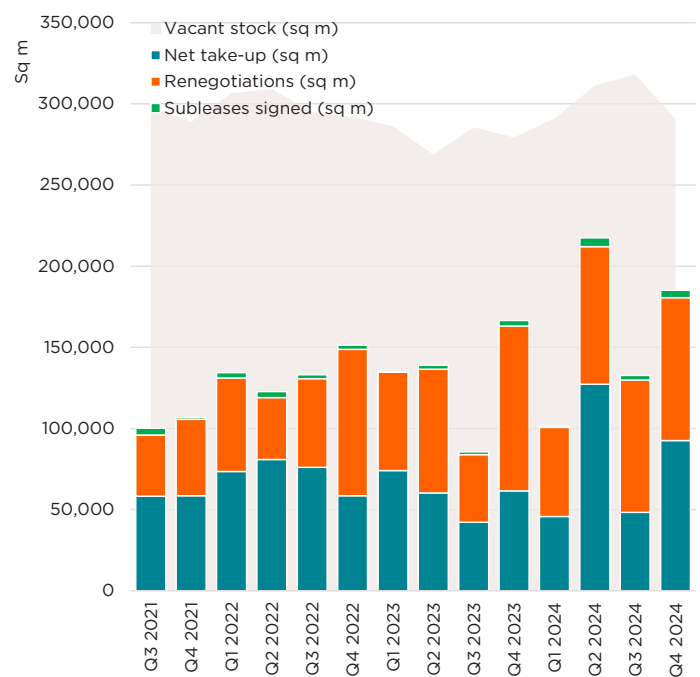
Occupier Demand

- Gross office take-up in Q4 2024 totalled 185,100 sq m, making it the second-highest quarterly value on record (after Q2 2024). This also marked a 39% increase compared to the previous quarter and an 11% growth y-o-y.
- Nearly half (48%) of the quarter's activity came from renegotiations of existing leases, underscoring occupiers' focus on lease renewals and amendments.
- Net take-up represented 38% of gross demand in Q4 2024, translating to 92,500 sq m of floor space, a 50% increase y-o-y. Compared to Q3 2024, the rise was even more pronounced at 91%. Driven by large transactions, Prague 7 recorded the highest level of net demand in Q4 2024 at 25%, followed by Prague 1 at 20% and Prague 2 at 18%. In terms of occupier sectors, the majority of new space was committed by companies from the Finance, Public/NGO and Technology/IT sectors, which together accounted for almost 58% of the quarter's net take-up volume. It is also worth noting that 75% of the net take-up recorded in Q4 2024 occurred in Grade A buildings.

New Supply



Take-up



Market Review Q4 2024

Vacancy Rate

- The overall office vacancy rate in Prague rose from 7.1% at the end of 2023 to 7.3% in Q4 2024. However, on a q-o-q basis, the vacancy rate dropped by 66 bps, reaching the lowest level recorded in 2024. The Q4 2024 vacancy rate corresponds to 290,700 sq m of immediately available office space (+4% y-o-y and -8% q-o-q). Of this total, 74% is vacant within Grade A office buildings, while the remaining 26% is unoccupied within Grade B properties.
- As in previous quarters, the highest volume of vacant office space was concentrated in the Prague 4 district, followed by Prague 5. However, due to the substantial total office stock in these submarkets, vacancy rates remained below 8%.
- Over the past three consecutive quarters, the districts of Prague 2, Prague 8, and Prague 1 have recorded the highest occupancy levels. When considering only Grade A office buildings, vacancy rates have consistently remained below 5% across all three districts. This trend underscores the strong demand for premium office space in these areas, driven by their prime locations, excellent infrastructure, and appeal to a diverse range of businesses.

Rent Levels

- Steady demand for high-quality offices in the city centre, coupled with limited availability and persistently high construction costs, led to a slight increase in prime headline rents for Grade A premises. At the end of 2024, rents stood between €28.50 and €29.50 per sq m per month, showing a 7% growth y-o-y. Rents in premium buildings continued to exceed this range.
- Across other parts of Prague, rental prices grew by an average of 4% over the past year. In December 2024, rents in inner-city locations stood between €18.50 and €19.50 per sq m per month, while in outer-city areas, they ranged from €15.50 to €16.50 per sq m per month.

Glossary of used terms



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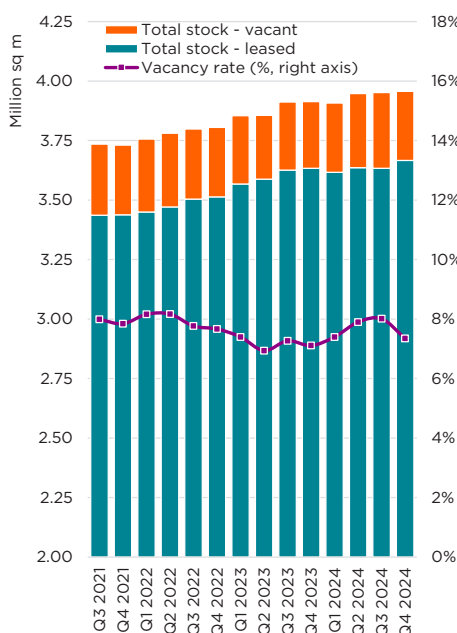
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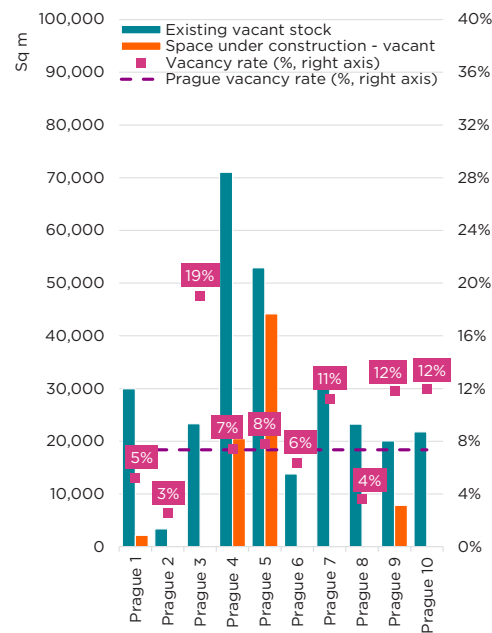
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Existing Stock and Vacancy



Vacancy in Prague Districts



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