



Press Release

Prague, 22 July 2025

Q2 2025: Prague office market sees an increase in construction activity

Prague Research Forum Announces Office Market Figures for Q2 2025

- Almost 212,600 sq m of office space is under construction
- Only two smaller projects totalling 6,600 sq m were completed in Q2
- Gross take-up in Q2 reached 164,800 sq m
- Net take-up in Q2 reached 110,300 sq m, of which 62,000 sq m were owner-occupied deals
- Net absorption remained positive at 23,800 sq m in Q2
- Vacancy rate decreased by 131 bps year-on-year to 6.6%
- Prime rent remained at €29.00–30.00/sq m/month

Introduction

Prague Research Forum is pleased to announce the office market figures for the second quarter of 2025. The members of the Prague Research Forum – CBRE, Colliers, Cushman & Wakefield, iO Partners, Knight Frank and Savills – share non-sensitive information with the intention of providing consistent, accurate and transparent data about the Prague office market.

RICS supports the activities of the Prague Research Forum.

Commentary

Simon Orr, CBRE, Director in A&T-Offices, adds: *"High levels of construction for the pre-sold, owner-occupier market and early signs of a return of speculative development give us confidence that the medium to long-term picture for Prague offices is positive. Growing rents in most suburbs, with evidence of significant gains in the best properties, suggest that the gap between rates in existing prime stock and new projects will narrow and tenants are becoming accustomed to a higher cost environment, as we see in more established markets. In the shorter-term renegotiations should continue to dominate and larger tenants will remain in a holding pattern during this lease cycle at least."*

Office Stock and New Supply

The total size of modern office stock in Prague reached 3.94 mil. sq m at the end of the second quarter of 2025. Most of the modern office stock (74%) comprises Class A buildings, while the highest quality AAA-rated space accounts for approximately 19%.

New supply in Q2 2025 included two newly refurbished buildings: NR7 (4,500 sq m), and VN62 (2,100 sq m), both located in Prague 1.

In Q2 2025, construction commenced on four office projects, three of which are located in Prague 8: the refurbishment of Danube House (19,900 sq m), the new construction of Rohan City A2 for Creditas HQ (16,800 sq

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m), and the new construction of Vydrovka (6,700 sq m). A smaller project, River Bridge Office Hub (2,700 sq m) started construction in Prague 5. Currently, 212,600 sq m of office space is under construction, with scheduled completion between 2025 and 2028, representing a quarter-on-quarter increase of 23%, however, only 11,300 sq m is scheduled for completion in 2025.

Office Take-up

Total gross take-up, driven by owner-occupation transactions, reached 164,800 sq m in Q2 2025. This represents a quarter-on-quarter increase of 87%, and a year-on-year decrease of 24%. Total volume in Q2 2024 was, however, boosted by a single large transaction of 75,000 sq m. Q2 2025 is still marking one of the strongest quarterly demands for offices recorded in Prague.

Preleases were driven solely by owner occupation deals. Excluding owner occupation deals, market was still driven by renegotiations accounting for 52% of the remaining gross demand. New leases and expansions accounted for 47%, while subleases contributed only 1%.

Net take-up amounted to 110,300 sq m, of which owner-occupation deals accounted for 56%.

The highest gross take-up in the second quarter was recorded in Prague 5 (39%), followed by Prague 8 (26%) and Prague 4 (11%). The energy & extractives sector was the main driver of demand, accounting for 27% of the gross take-up, and the finance sector followed with a 19% share.

Major Office Leasing Transactions

The biggest transaction of the second quarter of 2025 was ČEZ's owner-occupation deal for their future headquarters in the Smíchov City complex in Prague 5, totalling almost 44,200 sq m and Creditas's owner-occupation deal for their future headquarters in the Rohan City complex in Prague 8, totalling more than 16,800 sq m. This was followed by a renegotiation of a tenant from the financial sector (6,600 sq m) at Zlatý Anděl in Prague 5, and a renegotiation combined with an expansion of Pure Storage (4,300 sq m) at Amazon Court in Prague 8.

In line with the Prague Research Forum methodology, the ČEZ and Creditas transactions were included in this quarter's take-up based on the commencement of construction.

Office Vacancy and Net Absorption

Net absorption, reflecting the change in occupied office space, increased by 23,800 sq m compared to the previous quarter.

The office vacancy rate in Q2 2025 decreased by 43 bps quarter-on-quarter to 6.57%. Total vacant office space reached 259,000 sq m at the end of the quarter. The largest vacant spaces were registered in Prague 4 (56,700 sq m) and Prague 5 (54,600 sq m), the least vacant space was in Prague 2 (2,600 sq m) and in Prague 6 (9,900 sq m), which are overall small office submarkets. In terms of the vacancy rate, the highest vacancy rates were in Prague 3 (13.2%) and in Prague 9 (12.6%), the lowest vacancy rates then in Prague 2 (2.0%) and in Prague 8 (3.9%).

Rents

Prime headline rents remained stable in the second quarter of 2025 at around €29.00-30.00 per sqm per month in the city centre, prime rent in the inner city increased slightly to €19.50-20.50 per sqm per month and €15.50-16.50 per sqm per month in the outer parts of Prague.

In addition to rents, growing construction costs are increasingly reflected in the total volume of fit-out contributions and other forms of incentives provided by landlords.

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Classification of office properties

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The minimum requirements for inclusion into modern office stock of either Class A or Class B include:

- The building was built or refurbished after 1990
- Available units are being advertised in an appropriate way
- The GLA of the building exceeds 1,000 sqm

When assessing the property quality, the major categories included are as follows, with a brief description:

- **Technical specifications** – how well the property is built and equipped
- **Smart technologies** – how efficient the buildings are, what smart technologies they use and what extras to “standard” property equipment they offer
- **Location** – accessibility, services and amenities in the proximity of the property
- **Service and security** – how safe the building is and how it is managed
- **Parking** – parking ratios, with different requirements for properties in the city centre, inner city and outer city
- **Age of building** – building completion or the latest refurbishment date
- **Subjective evaluation** – subjective assessment by Prague Research Forum members

Each of the criteria has subcategories, which enable the scoring of the properties, resulting in the final score of the property. The maximum weight of each category is as follows:

Category	Share on total
Technical Specifications	41%
Smart Technologies	18%
Location	9%
Service & Security	9%
Age of Building	8%
Parking	8%
Subjective Evaluation	7%

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Appendix

Definitions:

- Stock:** Total completed office space (occupied and vacant), newly built since 1990 or refurbished, A and B class offices, owner occupied and for lease. Buildings with a leasable area lower than 1,000 sq m are excluded.
- New supply:** Completed newly built or refurbished buildings that obtained a use permit in the given period.
- Take-up:** A gross figure representing the total floor space known to have been let or pre-let, sold or pre-sold to tenants or owner-occupiers over a specified period. It does not include space that is under offer. A property is taken up when the contract is signed. Gross take-up includes renegotiations, lease extensions and subleases, net take-up excludes these. Owner occupation deals are included in take-up when the project commences construction.
- Vacancy rate:** Ratio of physically and contractually vacant space in completed buildings on the total stock.
- Prime rent:** Achieved headline rents that relate to new prime, high specification units in prime locations. However, there might be exceptional assets on the market, in which higher rent could be achieved.
- Sublease:** Space offered for lease by a tenant who is contractually obliged to occupy the premises for a longer period than what they need.
- Net absorption:** Net absorption reflects the change in occupied office space on the market over a given period. It can be both positive and negative.

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