

Press Release

Prague, 22nd October 2025

Q3 2025: Prague office new supply will reach historically low levels this year

Prague Research Forum Announces Office Market Figures for Q3 2025

- In total 244,200 sq m of office space is under construction
- No new office buildings were completed in Q3 2025 and new supply will reach historically low levels this year
- Gross take-up in Q3 2025 reached 176,200 sq m
- Net take-up reached 87,500 sq m, of which 30% were owner-occupied deals
- Net absorption remained positive at 4,600 sq m
- Vacancy rate decreased by 150 bps year-on-year to 6.45%
- Prime rent remained stable

Introduction

Prague Research Forum is pleased to announce the office market figures for the third 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

Jan Babka, Knight Frank, Head of Office Agency, comments:

„Demand for office space in Prague remains solid; however, the office market is still a landlord’s market. Even during lease renegotiations, landlords are aware that relocation represents a significant investment for tenants and that the supply of suitable alternative space is and will remain limited.

We continue to observe a tendency among tenants to rationalise their occupied space – companies are striving to optimise their offices to reflect new ways of working and lower average office occupancy. The hybrid model has become the standard: some companies are trying to motivate employees to return to the office more often, while in sectors such as IT or the creative industries, working from home remains firmly rooted. In cases of relocation, there is a clear preference for locations in the city centre and its immediate surroundings.”

Office Stock and New Supply

The total size of modern A and B class office stock in Prague reached 3.94 mil. sq m at the end of the third quarter of 2025.

The majority of the modern office stock (74%) comprises Class A buildings, while the highest quality AAA-rated space accounts for approximately 19%.

No new office buildings were completed in Q3 2025. Reconstruction of the future headquarters of Generali Group has started, and the company will occupy three quarters of the space upon completion. Currently 244,200 sq m of office space is under construction, with completion planned between 2025 and 2028. From this, 11,300 sq m should be completed in the final quarter of 2025. This year, new supply is expected to reach historically low

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levels, with at best 26,600 sq m scheduled for completion. In 2026, only 30,700 sq m should be added to the market.

Office Take-up

Total gross take-up reached 176,200 sq m in Q3 2025. This represents a quarter-on-quarter increase of 7%, and a year-on-year increase of 33%.

Renegotiations accounted for 49% of total occupational activity in Q3 2025. New leases and expansions had a 34% share on gross take-up, pre-leases 16%, while subleases a mere 1%. Net take-up amounted to 87,500 sq m, of which 30% are owner-occupation deals.

The highest gross take-up in the third quarter was recorded in Prague 5 (27%), followed by Prague 4 (25%) and Prague 8 (21%). Technology companies were the key driver of demand (29%), followed by finance (18%), and pharmaceutical/medical companies (14%).

Major Office Leasing Transactions

The most significant transactions of the third quarter of 2025 include the lease renewal by SAP in the Metronom building (27,900 sq m) in Prague 5. Nestlé renegotiated their lease in the Nestlé HQ (6,900 sq m) in Prague 4. Edwards Lifesciences Czech Republic renewed its lease in Praga Studios (5,300 sq m) in Prague 8.

Office Vacancy and Net Absorption

Net absorption, reflecting the quarter-on-quarter change in occupied office space, reached 4,600 sq m. The office vacancy rate in Q3 2025 decreased by 7 bps quarter-on-quarter to 6.45%, in annual comparison it represented a drop of 150 basis points. Total vacant office space reached 254,200 sq m at the end of the quarter. The largest volume of vacant space was registered in Prague 4 (63,200 sq m) and Prague 5 (52,400 sq m), the least vacant space was in Prague 2 (1,800 sq m) and in Prague 6 (9,500 sq m), which are overall small office submarkets. In terms of the vacancy rate, the highest vacancy rates were in Prague 9 (13.1%) and in Prague 3 (12.7%), the lowest vacancy rates then in Prague 2 (1.4%) and in Prague 8 (3.4%).

Rents

Prime headline rents remained stable in the third quarter of 2025 at around €29.00-30.00 per sq m per month in the city centre, at €19.50-20.50 per sq m per month in the inner city and €15.50-16.50 per sq m 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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