CBRE FORECAST: AFTER A RECORD 2025 IN INVESTMENTS, THE CZECH COMMERCIAL REAL ESTATE MARKET IS SET FOR STABLE GROWTH

17.12.2025 - CBRE | Crest Communications

The investment volume is expected to approach EUR 4 billion by year-end.

- *In the first three quarters of 2025, domestic investors accounted for 80% of total investment volume, a trend expected to continue in 2026*
- *CBRE expects the market to sustain strong investment volumes above EUR 3 billion in 2026*

CBRE, the global leader in commercial real estate services, reviews this year's developments in the Czech commercial property market and presents its outlook for 2026. The Czech market is set for a robust investment pace, supported by active domestic investors and a diversified sector mix. The office segment is seeing a revival in new development, which is expected to gradually pick up, while further rental growth is anticipated. The industrial and logistics market continues to benefit from stable demand, with regional differences in vacancy and rents likely to persist. The retail sector continues to see sales growth and store network expansion. The development of retail parks will be a key driver of retail space expansion next year.

Clare Sheils, Managing Director at CBRE Czech Republic, comments: "*As we look ahead, the Czech real estate market's resilience, fuelled by strong domestic investment, positions us well for continued success. We anticipate a dynamic 2026, with strategic opportunities emerging across various sectors.*"

Record-Breaking Year in Investments in 2025 Sets the Stage for 2026

The Czech commercial real estate market is poised to achieve a historic milestone in 2025, with investment volumes projected to approach €4 billion by year-end. This remarkable performance is attributed to robust activity from domestic investors, as well as a diverse range of sectors contributing to the market's momentum. Notably, offices, retail, hotels, mixed-use, and industrial properties have each played a significant role in driving investment activity throughout the year. Local investors continue to be the predominant force in the Czech market, accounting for 80% of total investment volume during the first three quarters of 2025 and this trend is expected to persist into 2026.

Jakub Stanislav, Head of Capital Markets at CBRE, states: *"The market dynamics and product liquidity experienced in 2025 are expected to continue into the next year. The office segment is projected to remain robust, even as the supply of new developments stays limited. While there will still be activity within the shopping centre sector, investment opportunities are likely to be more selective, and the hotel sector is anticipated to face a shortage of suitable assets for acquisition. Against this backdrop, the industrial sector is well positioned to strengthen."*

Looking ahead to 2026, the Czech commercial real estate market is forecasted to maintain strong investment volumes above €3 billion, with domestic capital remaining a central driver of market activity. In terms of yields, downward pressure is predicted to persist within the office segment, a reflection of strong demand for prime office assets. For other sectors—including retail, hotels, and industrial—yields are not expected to undergo significant fluctuations. However, the disparity in yields between prime properties located in top areas and other asset types is likely to widen further, particularly within the industrial and logistics segment.

Limited New Supply, Rising Rents, and Evolving Tenant Strategies Shape the Year Ahead in Office Sector

2025 is set to record the lowest annual new supply in Prague's history, with less than 27,000 sq m of new office space expected to complete. Looking forward to 2026, the recovery in supply will be modest, with just 30,700 sq m currently under construction for delivery during the year.

"The lack of new deliveries will keep vacancy rates stable at low levels around 6.5% through both 2025 and 2026," said **Simon Orr, Director at CBRE A&T Offices**, and adds: *"Rents are rising across all submarkets, and the gap between top-tier and secondary assets continues to widen."*

Tenants are adapting to these higher costs, with renegotiations becoming a dominant feature of leasing activity. While the previous trend of returning underutilised space appears to have tapered off, caution remains prevalent—major relocations are likely to be postponed until the next lease cycle.

According to the CBRE Office Occupier Survey 2025, employees are returning to the office in greater numbers, signalling renewed confidence in physical workspaces and reinforcing the ongoing relevance of well-located, high-quality office stock in Prague. CBRE does not anticipate the entry of any large new international occupiers in the near term. Instead, demand will be largely sustained by existing companies already present in the Prague market. As construction activity gradually picks up, prelease agreements are expected to become increasingly common, underlining the strong interest in limited upcoming supply.

Resilient Growth and Evolving Demand in Industrial & Logistics Real Estate Market

The Czech industrial market should surpass a 13 million square meters of total existing stock by the end of 2025, with Q4 2025 expecting a notable spike in completions due to the delivery of several large-scale projects. The construction activity is projected to stabilize in 2026, with new developments expected to decrease by half—from 1.2 million sqm this year to around 650,000 sqm next year. After three years, H&M logistics centre, whose influence on construction has been considerable with its size of 230,000 sq m, should be excluded from these figures.

Vacancy rate, while having edged up slightly, remains around 4.5%, indicating continued strong demand and healthy market fundamentals. However, there are regional disparities; for instance, Pilsen region´s vacancy rate stands at 9%, compared to Greater Prague´s at just 2.2%. Moreover, the presence of "grey vacancy"—space completed into shell and core but not yet marketed as existing space—remains a notable factor, potentially offering additional hidden capacity for occupiers seeking flexibility in site selection.

The third quarter of 2025 marked the second strongest quarter in term of new demand in the past two decades, driven by six major transactions, primarily centred in Prague and its surrounding regions. Therefore, in 2025, CBRE expects take-up to mark once again 1 million sq m of newly leased space. We are currently witnessing renewed interest from the e-commerce sector, which is driving demand for high-quality logistics and distribution space. 2025 saw notable deals in the distribution and retail segments, indicating a revival in e-commerce as well; we anticipate that 2026 will follow a similar trend. For 2026, CBRE experts forecast that market could stabilize at values around 850,000 sq m of newly leased space.

"The Czech industrial and logistics sector continues to demonstrate resilience and adaptability," said **Jan Hřívnacký, Head of I&L at CBRE**, and continues: *"We anticipate the market will continue to offer attractive opportunities for both investors and tenants in 2026. Generally, tenants are currently in a somewhat stronger position, and developers are willing to negotiate commercial terms and incentives. This is particularly evident in locations with higher-than-average vacancy rates, and we expect this trend to persist into 2026."*

Prime industrial and logistics rents currently stand at 7.40 EUR/sqm/month, with expectations of upward pressure in 2026. However, it should be emphasised that there are significant regional differences in rental rates. Rental growth in some submarkets remains moderate, owing to a steady supply of new developments and landlords' willingness to offer incentives to secure longer lease commitments.

Retail Sector Expects Steady Growth Amid Limited New Supply

After a refreshed wave of shopping centre openings in 2025, the upcoming year will bring no new supply to the Czech retail market. Development activity will remain focused on projects already under construction, with three major shopping centres—Dornych in Brno, Galerie Pernerka in Pardubice, and the refurbished Kotva in Prague—scheduled for delivery in 2028. Several long-planned projects may finally commence during the year, but 2026 will otherwise be quiet for shopping centre openings. In contrast, retail park construction will continue to dominate development, with more than 170,000 square metres expected to be delivered.

Economic indicators influencing retail performance, including GDP, real wages, inflation, and consumer sentiment, are forecast to maintain a similar growth pace as in 2025. This stability will support ongoing gradual growth in retail sales, which are expected to rise by approximately 3 percent—one of the strongest growth rates among European countries. Footfall trends will continue to reflect changes in customer behaviour, varying by location and asset type. Despite slight improvements during 2025, footfall has not returned to pre-pandemic levels, and no significant fluctuations are anticipated in the coming year.

Jan Janáček, Head of Retail Sector and A&T-Retail at CBRE, concludes: *"The Czech Republic remains a key destination for international retailers entering the CEE region. While cost pressures and evolving consumer habits require careful strategies, the combination of steady economic growth and strong retail park development provides a solid foundation for continued market resilience. This cautious optimism is also reflected in a CBRE survey, in which retailers confirm plans to expand their branch networks, particularly in regional shopping centres and retail parks. An interesting trend is the implementation of AI into their processes, with more than 71% of the brands surveyed using AI primarily for marketing purposes and personalization but also incorporating AI into other activities such as customer preference analysis and supply and storage process optimization."*

For more information please contact:

Crest Communications, a.s.

Denisa Kolaříková

Account Manager

Gsm: +420 731 613 606

email: denisa.kolarikova@crestcom.cz

Kamila Čadková

Account Director

Gsm: +420 731 613 609

email: kamila.cadkova@crestcom.cz

www.crestcom.cz

CBRE

Ivana Procházková, Communication Specialist, +420 771 288 023, ivana.prochazkova@cbre.com

CBRE Česká republika Facebook, LinkedIn, Instagram

About CBRE Group, Inc.

CBRE Group, Inc. (NYSE:CBRE), a Fortune 500 and S&P 500 company headquartered in Dallas, is the world's largest commercial real estate services and investment firm (based on 2024 revenue). The company has more than 140,000 employees (including Turner & Townsend employees) serving clients in more than 100 countries. CBRE serves a diverse range of clients with an integrated suite of services, including facilities, transaction and project management; property management; investment management; appraisal and valuation; property leasing; strategic consulting; property sales; mortgage services and development services. Please visit our website at www.cbre.com.

https://www.crestcom.cz/cz/tiskova-zprava?id=5993