

CBRE: recovery of office market at the end of the year

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According to the latest study by CB Richard Ellis, recovery of the Prague office market may occur at the end of 2010. Until then stagnation of demand, responding to economic developments with a lag, is expected. “The office market in the last year and a half has started to slow down as a result of deteriorating economic conditions. Due to the changing structure of demand, among other high rate of renegotiations and subleases on the total realized offer, the remaining offer is not able to absorb the new office spaces entering the market,” analyses the situation Paulína Husová from CBRE. Due to the lack of strong activity on the part of the tenants and the expected increase in new office areas, to a large extent vacant - currently at around 12 % - will continue to grow slightly in 2010. From the beginning of 2011, pressure on increase of rent in office buildings should be visible.

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