

# Prague offices: vacancy rate increased slightly

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The total area of modern offices in Prague exceeded 2,7 mill. square metres at the end of the second quarter, according to the latest Prague Research Forum report. A-class buildings represent 70 % of the total area, the remainder are B-class offices. The vacancy rate increased to 13,8 % in the second quarter of 2010. A total of approximately 373.000 square metres of vacant office space was recorded in Prague. The highest vacancy rate was in Prague 9 in this quarter (27,1 %), Prague 7 (26,8 %) and Prague 6 (25,0 %). The lowest vacancy rates were in Prague 3 (9,0 %), Prague 5 (9,1 %) and Prague 1 (9,5 %).

Office building Filadelfie in BB Centre in Prague was completed in the second quarter. With more than 28.000 square metres, it is the first addition to the Prague market this year. By the end of the year, completion of yet about 24.000 m of new office space is expected. The gross realized supply including renegotiation and sub-leases reached the volume of 49.000 square metres in the past quarter, which represents a slightly higher value than in the first quarter. This is a year-on-year decline by 12 %. The total share of renegotiations of lease contracts and sub-leases on the gross realized supply have decreased to the value of approximately 40 % (60 % in 1st quarter 2010) compared to the first quarter. However, it was still more than double the same period the previous year. The share of recorded sub-leases (space offered for rent by the current tenant, contractually bound to the lease for a longer time period than they really need) on the total area of all office space declined slightly to 1,4 % at the end of the second quarter.

The highest achieved rent in the second quarter of 2010 in the city centre remained at EUR 20 - 21 per square metre per month. In the inner city near Pankrác, the rent was around EUR 15 - 16 whereas it reached up to EUR 17,5 per square metre per month in the vicinity of Anděl and in Karlín. In the outer city, the highest achieved rent this quarter ranged from EUR 13 to 14,5 per square metre per month.

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