

# Prague offices: rents stable, vacancy rate falls

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The total area of modern office space in Prague reached more than 2.71 million sqm at the end of the first quarter of 2011. A-class buildings account for 68 % of the total area, the rest are B-class offices.

In Q1 2011 one office building was completed: Harfa Office Park (19,600 sqm) in Prague 9. In the remainder of 2011, Prague Research Forum expects about 85,000 sqm of new office space to be completed while other buildings planned for completion in 2012 are already under construction.

Gross take-up, including renegotiations and sub-leases reached the volume of 85,020 sqm in the last quarter which represents an increase of 19 % compared with the previous quarter and more than 75 % compared to the first quarter of 2010. The largest volume of leases occurred in Prague 5, 4 and 7, together they represent about 70 % of all leases for the quarter. The most active tenants were companies from the banking and financial services (25 %) and IT sector (24 %). The overall proportion of renegotiations of leases on the gross take-up for the first quarter was 34 %. The share of sub-leases recorded of the total area of office space in the first quarter of 2011 fell to 0.8% which represents approximately 22,000 sqm.

Vacancy rate in Q1 of 2011 fell to 13 %. A total of 352,200 sqm of vacant office space were recorded in Prague. The highest vacancy rate recorded in this quarter was in Prague 9 (31.8 %), Prague 7 (27 %) and Prague 6 (18.7 %). The lowest vacancy rates were in Prague 5 (7.5 %), Prague 2 (9.4 %), Prague 10 (9.5 %) and Prague 3 (9.6 %).

The highest rent achieved in the first quarter of 2011 in the heart of the city remained at EU 20 - 21 per square metre per month.

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