

Prague office market: occupancy fell slightly

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The total area of modern office space in Prague reached 2.81 million sqm at the end of Q1 2012, according to Prague Research Forum (PRF). A-class buildings represent 69% of the total area, the rest are B-class offices. In Q1 2012, two office buildings were completed: B3 Pankrác (23,300 sqm) in Prague 4 and Keystone (5,650 sqm) in Prague 8. By the end of 2012, PRF expects 83,500 sqm of offices to be completed, further more than 135,000 sqm are under construction and due for completion in 2013.

Gross take-up, including renegotiations and subleases reached a volume of 79,750 sqm in the previous quarter which is a 6% qoq as well as yoy decrease.

The largest volume of leases, more than 40% of the quarterly volume, took place in Prague 5. The total share of renegotiations on gross take-up for the first quarter reached 47%.

Among the most significant transactions in Q1 2012 were the lease of offices for Vodafone in the City West project (16,300 sqm) in Prague 5, renegotiation of KPMG at Florenc Office Center (10,900 sqm) in Prague 8 and the renegotiation of Johnson & Johnson (4,500 sqm) at Anděl Park in Prague 5. Vacancy rate in Q1 2012 increased slightly to 12,3%. A total of 344,000 sqm of vacant office space were recorded in Prague in Q1. Prime headline rents in the first quarter of 2012 in the city centre remained at EUR 20 to 21 per sqm/month.

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