Rental Housing in the Czech Republic: What's going on?

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Housing Affordability Crisis

- Czechia = least affordable country in Europe for homeownership
- Buying a flat = 13.3 years of gross salary
- Prague is 2nd worst capital (after Amsterdam)

➢ **Lengthy building permit procedures** – Getting a construction permit can take years. Digitalization failed; a new version is expected only in 2028.

➢ **Lack of ready-to-build land**

➢ **Low developer motivation**

➢ **Limited state and municipal involvement high costs**.

➢ **Conflicts of interest**

Growing rental housing sector

- Czechs prefer ownership, even when irrational

- **Housing Tenure in the Czech Republic**
  - **78%** live in **owner-occupied housing**
  - **22%** live in **rental housing** *(approx. 900,000 households / 2.3 million people)*
- More demand for rentals and not enough homes mean higher prices and less affordable housing for more people
- Rental housing boom in regional cities
- Tenants are in a vulnerable position

Lease agreement = uncertainty

No regulation of the rental period

➢ 50% have contracts under 2 years

➢ 400,000 people on 1-year leases

➢ Contracts can be as short as 1 month (!)

➢ Repeated short-term leases – used to avoid tenant protections

No regulation of the rent

➢ Landlords can raise rent between leases

➢ Unpredictability of rent increases

➢ Tenants pay: rent + deposit + agency fee

Consequences

- 154,000 people in housing need; 1/3 are children (60,000 kids live in shelters or temporary housing)

- 1.6 million people at risk of losing housing

- New Housing Support Act from Jan 2026

  - ➤ Housing Contact Centers (115 planned)
  - ➤ Guarantees for landlords
  - ➤ Monitoring of housing need and poverty

What needs to change?

- Same **tax** for empty, AirBnB or rented houses

(flat worth 400,000 EUR = only 140 EUR/year tax)

- Prague has almost 10,000 **AirBnB** flats (no regulation)
- 200,000 **empty** flats in residential buildings
- **Stop repeated short-term leases**
- Make landlords pay agency fees

- Problems are clear

- Solutions exist (many of you are the inspiration!)

- All we need now is the political will – and maybe a little magic ☺