Real estate opportunities in spa towns in the Czech Republic

VIRTUAL TRADE MISSION

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Are you interested in the Czech Spa real estate market?

Let's start by answering 10 questions

1. Can a foreigner buy real estate in the Czech Republic?
2. Do foreigners need to be permanent residents to purchase a property in the country?
3. How real estate agents are organized in The Czech Republic?
4. What are the steps to purchasing property?
5. What are the closing costs?
6. How long does it take from making an offer to closing?
7. What are tax obligations?
8. What are financing options?
9. Where to look for real estate search tips?
10. Why to invest in spa regions in the Czech Republic?

1. Can a foreigner buy real estate in the Czech Republic?

YES

The rules for purchasing real estate in the Czech Republic are the same as in all other member states of the European Union.

Exception - agricultural land :
New rules (from 2024) significantly limit the ability of foreigners (especially from countries outside the EU and EEA) to buy agricultural land in the Czech Republic. Verification of the condition of the land, the status of the buyer and compliance with the principle of reciprocity are key. Failure to comply with these rules may result in the invalidity of the purchase contract or the transfer being blocked in the land registry.

2. Do foreigners need to be permanent residents to purchase a property in the country?

NO

Foreigners do not need to be permanent residents to purchase property in the Czech Republic.

Non-residents, including foreigners, have the legal right to purchase real estate in the country. However, there are certain restrictions and procedures that they must follow, especially when it comes to agricultural land or properties in border zones.

Apartments and commercial premises can be purchased by foreigners without special permits.

3. How real estate agents are organized in the Czech Republic?

In 1991,
The Association of Real Estate Offices of the Czech Republic was founded.

Membership is a guarantee of service quality

Since 2019,
Real Estate Brokerage has become a regulated profession.

Only licensed real estate agents can provide brokerage

3. How real estate agents are organized in the Czech Republic?

Real Estate Agent Licensing Act - main conditions

- Professional competence (Based on education and practice)
- Professional liability insurance
- Written brokerage contracts between broker and client are a legal requirement.

4. What are the steps to purchasing property?

A prospective buyer generally has two options:

1) Handle the transaction independently, or
2) Seek assistance from a real estate agent, which is often the better choice.

4. What are the steps to purchasing property?

Procedure for Buying Property

- Pre-contract negotiations:

Typically involve a reservation agreement or a deposit.

- Due Diligence:

Verification of property title via the Land Registry (Katastrální úřad).

- Sale Contract: Purchase agreement:

Must be in writing and signatures must be verified (notary, lawyer, e-point).

- Registration:

The transfer of ownership is finalized by registering the change in the Land Registry.
Purchase agreements (signatures) can now also be executed via bank identity.

5. What are the closing costs?

Mandatory fees:

Land registry fee (2.000,-- CZK = approx. 95 $ (1$ = 21 CZK – October 2025)

Possible fees:

• Fee for the safekeeping of money until the registration of the deposit on the Cadaster (escrow account)

Who? - lawyer or notary or bank custody or custody in the real estate agency - If is authorized to do so

• Real estate agency commission *(The commission is a matter of agreement. It can be paid by the seller, the buyer, but also by both parties to the transaction)*

• Attorney (lawyer or notary) to write sales contract *(not obligatory to use lawyer...)*

6. How long does it take from making an offer to closing?

The fixed deadline (legal deadline) is at least 20 days from the submission of the application for registration of the ownership right in the Cadaster office (land register).

All other deadlines depend on the flexibility and speed of the parties involved:

Written contract with a real estate agent - negotiations between the seller and the buyer - comments on the purchase contract (lawyers of the parties) - mortgage bank (if necessary) - land register office...

7. What are tax obligations?

Property taxes in the Czech Republic have historically been very low and cannot be directly compared to those in the United States. Annually, property taxes are assessed by the Ministry of Finance. The official guidelines for calculating property taxes depend on several factors, including:

- Location
- Property size
- Type of property (such as land, residential, or commercial)

7. What are tax obligations?

VAT - If the real estate agent is a payer of value added tax, he/she must charge 21% tax for the provided real estate services

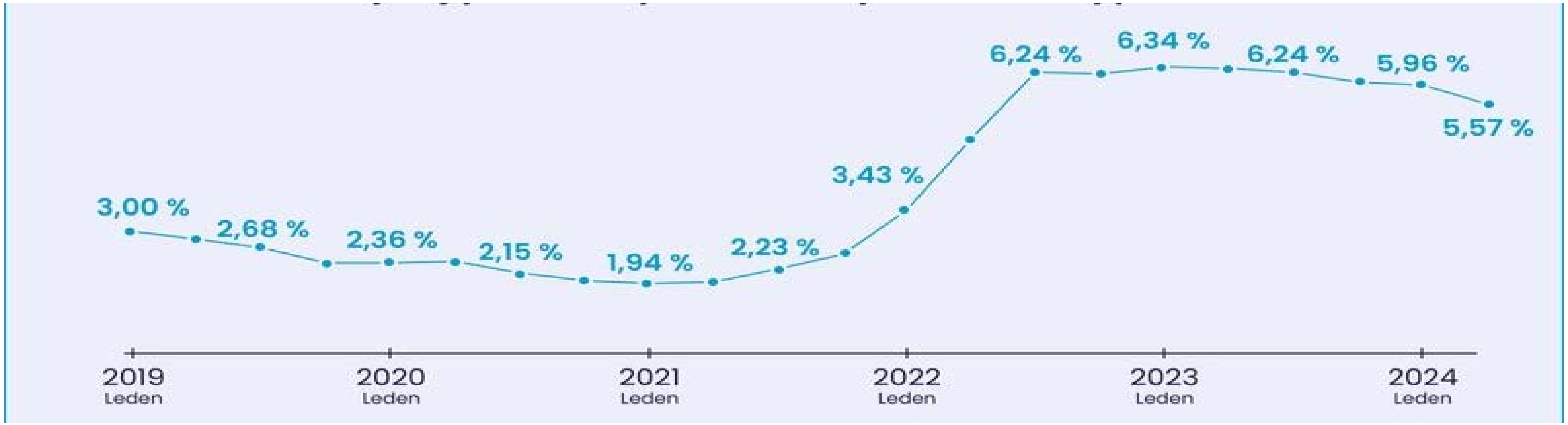
Income tax Revenue from renting are taxed in income tax in the Czech Republic

In the case of the sale of real estate at a profit until at least five years after the acquisition are subject to income tax

8. What are financing options?

Similar to the whole EU.
The buyer can take out a mortgage loan if he/she meets the bank's criteria for granting it. Forigner just need to take into account stricter requirements than for Czech citizens.

Development of average mortgage interest rates in the Czech Republic



9. Where to look for real estate search tips?

1. It is best to entrust the search for a suitable property to a real estate agent.
Members of Association are connected through the MLS!

2. For orientation, you can visit some of the public real estate portals on the Internet, such as:
Sreality.cz , Realityidnes.cz, Realitymix.cz

10. Why to invest in spa regions in the Czech Republic?

Investing in spa regions in Czechia offers several advantages:

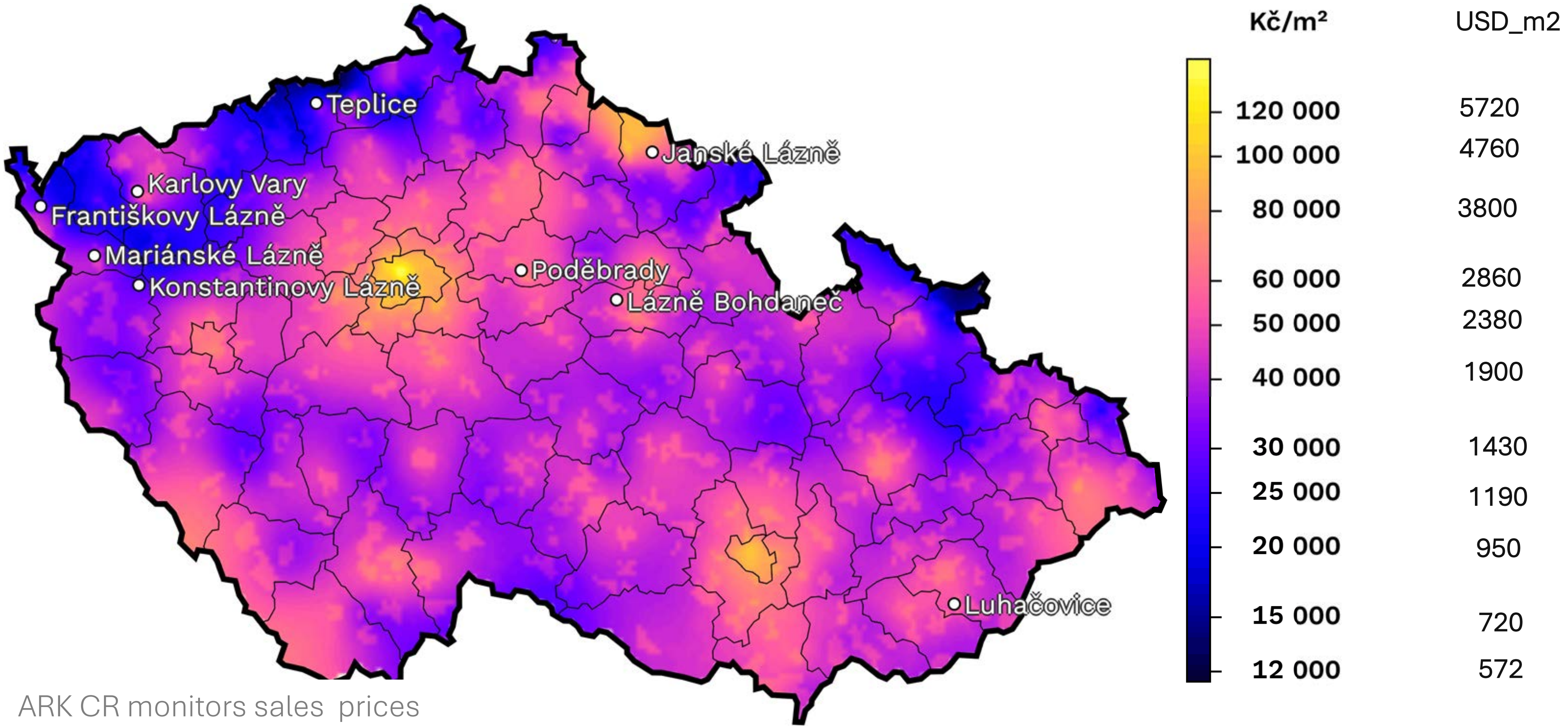
- Strategic Location in EU
- Current low purchase prices compared to the rest of the country and the EU
- Strong Tourism Appeal
  Rich Wellness Heritage
  Stable Investment Environment
- Potential for Long-Term Appreciation
- Quality of Life and Natural Resources

Development of apartment prices in spa towns compared to Prague - October 2025

Price per m2 of apartment

1 CzK = 0.048 USD

1USD = 21,03 CzK



ARK CR monitors sales prices through its members & Diotima

Development of apartment sales prices in spa towns compared to Prague

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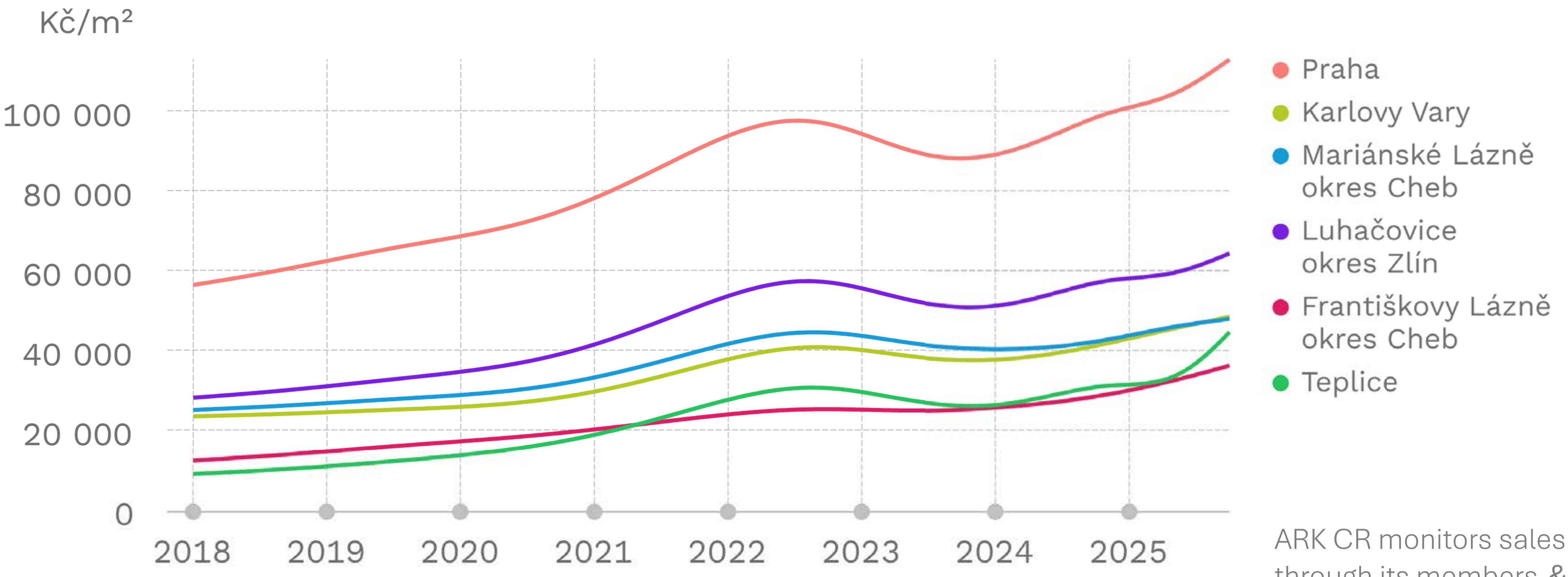

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Development of apartment rental prices in spa towns compared to Prague

Price per m2 of apartment
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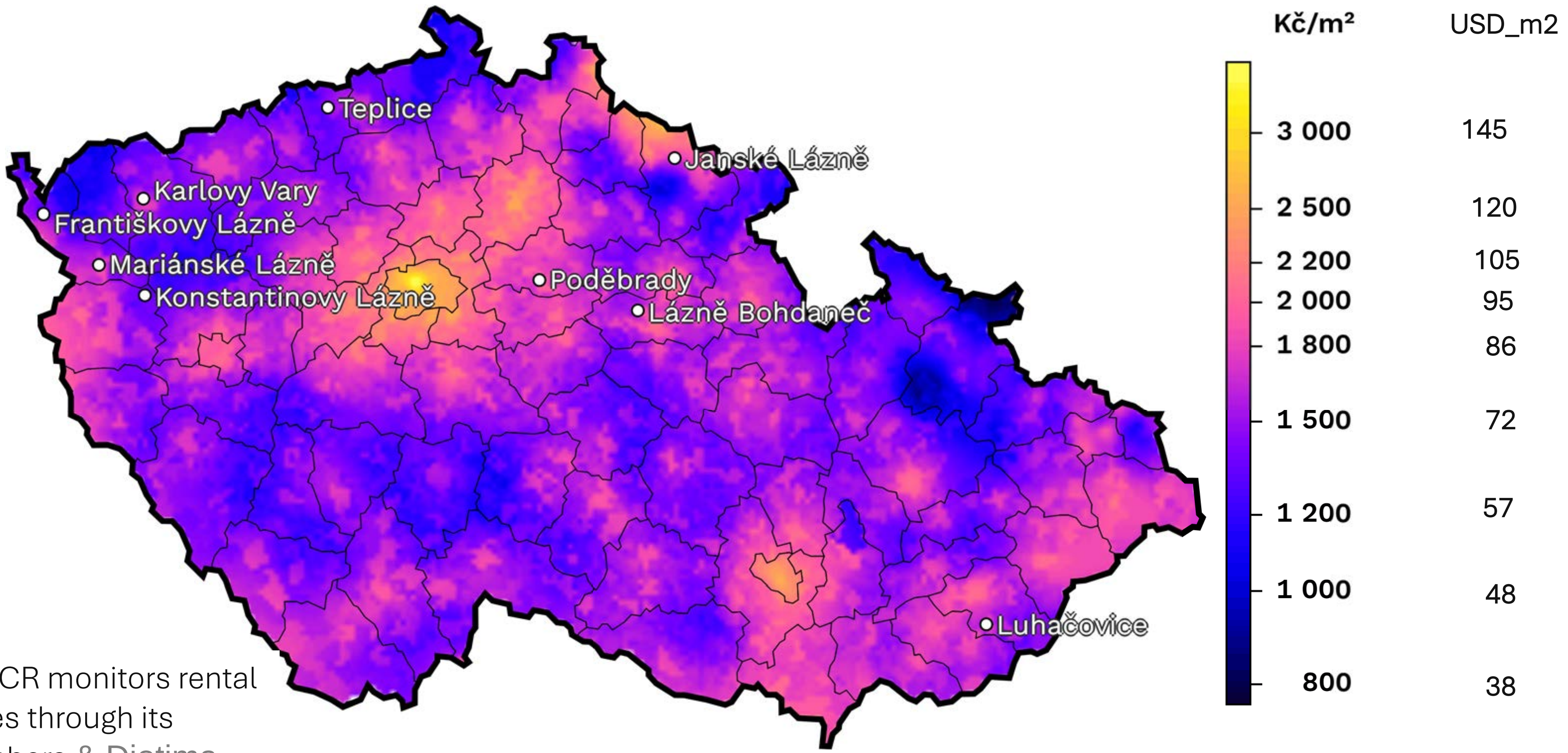

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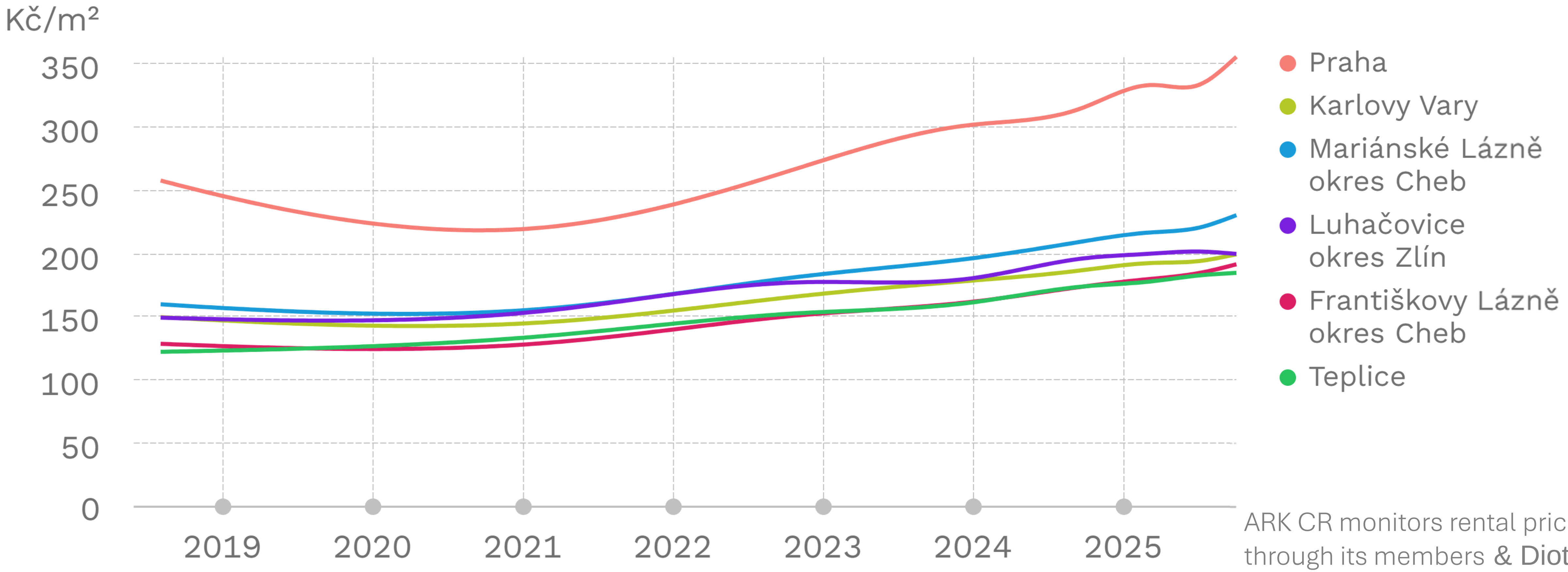

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Examples of properties on offer

Family house for sale 119 m^2, land 323 m^2

Karlovy Vary 521000 USD



Examples of properties on offer

Apartment for sale 88 m², Mariánské Lázně
154.800 USD

Gross return on investment - apartments [years]

	2025-01-01	2024-01-01	2023-01-01	2022-01-01	2021-01-01	2020-01-01
Karlovy Vary	21	20	22	23	20	18
Mariánské Lázně	17	18	20	22	19	17
Františkovy Lázně	14	13	14	14	13	12
Luhačovice	25	24	27	28	23	20
Teplice	15	14	17	17	12	10
Poděbrady	25	23	26	27	23	20
Janské Lázně	26	24	28	29	24	20
Lázně Bohdaneč	23	20	24	25	20	18
Konstantinovy Lázně	15	14	16	17	13	11

Spa towns – Visitor numbers to accommodation facilities 2024

	Guests	Overnight stay
Karlovy Vary	586717	2730760
Mariánské Lázně (Cheb)	315631	1267602
Františkovy Lázně (Cheb)	147438	793678
Luhačovice (Zlín)	93226	567064
Teplice	68549	299453
Poděbrady (Nymburk)	68454	283072
Janské Lázně (Trutnov)	65084	372986
Lázně Bohdaneč (Pardubice)	15484	144836
Konstantinovi Lázně (Tachov)	12808	76613

Thanks for your attention

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