Industrial Market Czech Republic

Q1 2025

A regular quarterly update of logistics and industrial market in the Czech Republic

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Total stock

12.8 m sq m

New supply Q1 2025

314,000 sq m

Under construction

1.5 m sq m
29% shell & core

Vacancy rate

5.0%

In Q1 2025, the total lettable modern warehouse and industrial area reached almost 12.8 million sq m.

New supply reached 314,000 sq m the highest volume of new completions was recorded in the Moravian-Silesian Region (35%).

In total 1.5 million sq m were under construction, with the largest construction taking place in the Karlovy Vary Region (21%).

The vacancy rate increased to 5.0% in Q1 2025.

In Q1 2025, the current rental range for warehouse and industrial premises remained unchanged compared to the previous quarter at the level of €4.30 - 7.50 sq m /month.

In Q1 2025, gross take-up reached 515,400 sq m, 57% of which were renegotiations.

„We see a potential risk in connection with the increase in US tariffs, but above all in relation to the decline in demand for automotive parts and mass layoffs in the automotive industry. Our market is affected by the crisis in the German automotive industry, which is our largest trading partner. The decline in sales of these products in the European markets may lead to a reduction in demand for production space.

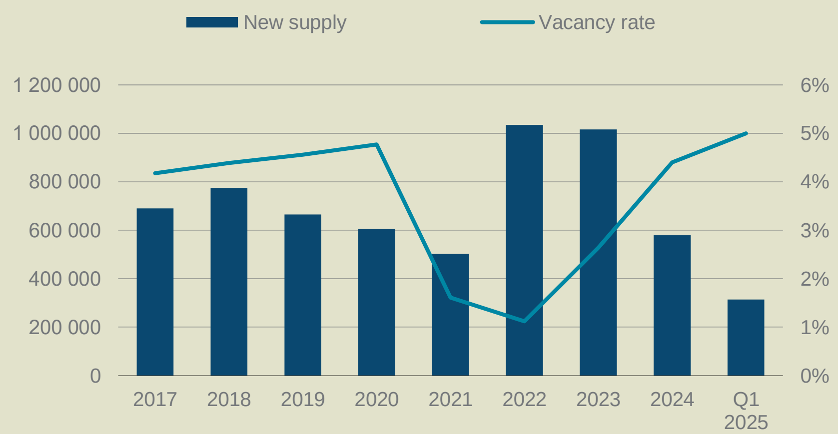
Increased uncertainty about the current geopolitical situation and tariffs may also cause tenants to postpone major strategic decisions.

We are seeing an increase in demand for consumer goods, with the Czech Republic continuing to attract interest due to its unique location for further distribution. Companies from both Germany and Asia are turning to us, and in particular the effect of "nearshoring" - i.e. bringing the production of goods closer to the customer - is beginning to manifest itself.“

MARKÉTA VRBASOVÁ
DIRECTOR, HEAD OF INDUSTRIAL & LOGISTICS

New supply and vacancy rate

sq m, %



Source: Knight Frank Research

12,780,000 sq m

In Q1 2025, the total lettable modern warehouse and industrial area reached almost 12.8 million sq m.

INDUSTRIAL MARKET OVERVIEW

The total lettable modern warehouse and industrial stock reached almost 12.8 million sq m in Q1 2025. The Greater Prague area remained the largest logistics market, accounting for 28% of the total supply. The Plzeň Region followed with 14%, the South Moravian Region with 12%, the Moravian-Silesian Region with almost 11% and the Central Bohemian Region with 8% of the total supply.

In Q1 2025, 314,000 sq m were newly completed in 8 industrial parks. Compared to the previous quarter, there was a decrease of 104%, in a year-on-year comparison it was even 231% more. The largest number of completions took place in the Moravian-Silesian Region (35%), the Karlovy Vary Region (34%) and the Central Bohemian Region (21%).

The largest completed projects in Q1 2025 included a hall in D+D Park Kosmonosy with a size of more than 60,000 sq m for an undisclosed tenant and a hall in Panattoni Park Ostrov - North with a lettable area of 57,400 sq m for the global technology company ZF. This was followed by halls in Ostrava Airport Multimodal Park. All three halls with sizes of 45,900 sq m, 39,200 sq m and 24,500 sq m were vacant at the time of completion.

At the end of Q1 2025, 1.48 million sq m of warehouse and industrial space was under construction, including shell & core projects, which accounted for 29%. Construction took place in all regions. The largest construction took place in the Karlovy Vary Region (21%), the Moravian-Silesian Region (14%) and the Plzeň Region (14%). The Greater Prague area represented 10%. The largest number of spaces in the shell & core state were located in the Plzeň Region (21%), the Greater Prague area (17%) and the Ústí nad Labem Region (14%).

The vacancy rate increased to 5.0% in Q1 2025, up from 4.4% in the previous quarter. The increase in vacancy was mainly due to the completion of the three vacant halls in Ostrava Airport Multimodal Park mentioned above. If we did not take these halls into account, the vacancy rate would have reached 4.2%. Therefore, vacancy rate increased the most in the Moravian-Silesian Region by 6.3 percentage points quarter-on-quarter. It also increased slightly in the Ústí nad Labem Region by 0.8 percentage points. The vacancy rate decreased in five regions, most significantly in the Karlovy Vary Region by 1.6 percentage points. In the other regions, the vacancy rate remained more or less unchanged.

If we include buildings in the shell & core state that are waiting for tenants, the vacancy rate would reach 8.1%.

RENTS

In Q1 2025, the current rent range for warehouse and industrial premises in the Czech Republic did not change compared to the previous quarter and amounted to €4.30 - 7.50 sq m/month.

The average current rent decreased again year-on-year in Q1 2025, by 4.2%. The year-on-year decrease occurred in all regions, except for the South Moravian Region, where the current rent remained stable. The rent decreased the most in the Vysočina Region by 8.3%, in the Olomouc / Zlín Region by 7.3% and in the Plzeň Region by 6.5%. In Greater Prague area, the rent decreased by 4.9% year-on-year.

Current Rent Range

€4.30 – 7.50 sq m/month

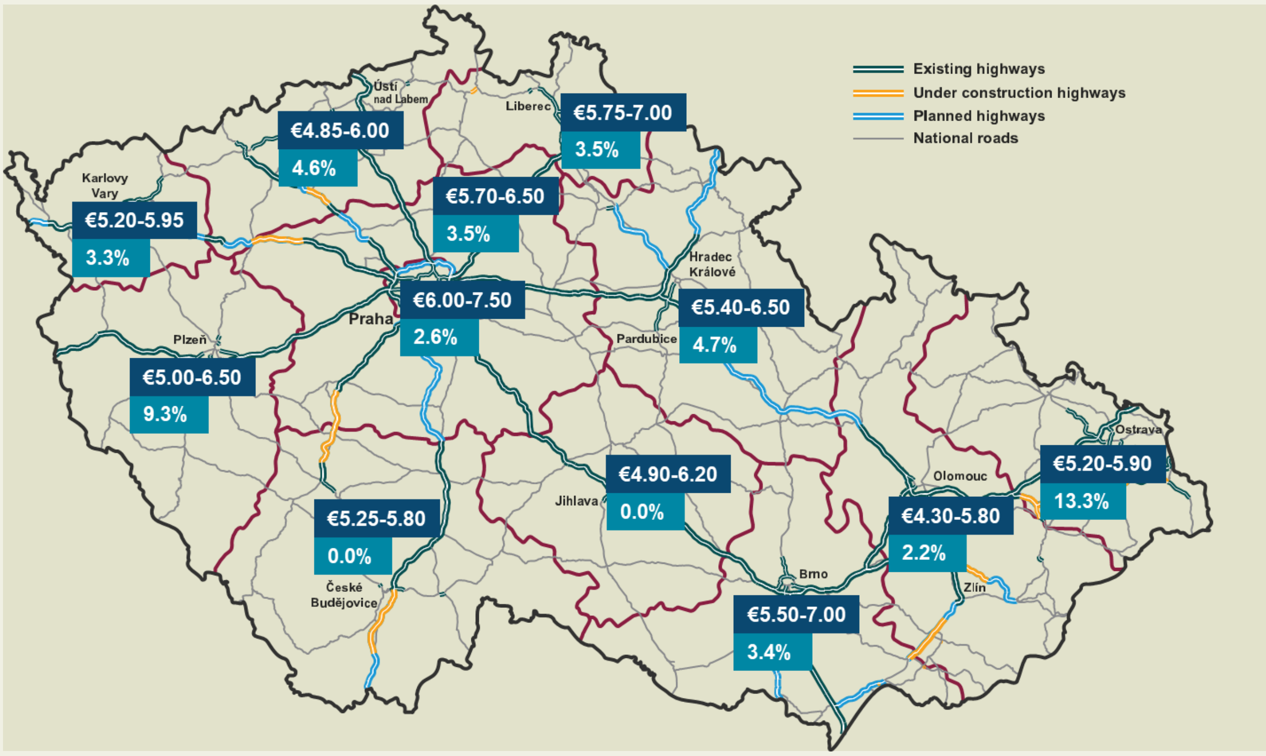
INVESTMENT

The prime industrial yield remained unchanged at 5.00% in Q1 2025. Industrial properties accounted for the largest share (25%) of the total investment volume.

Prime Industrial Yield

5.00%

VACANCY RATE AND CURRENT RENT*



*Rent offered on the market in class A premises for an area of 4,000 - 5,000 sq m in Q1 2025 prior to incentives application

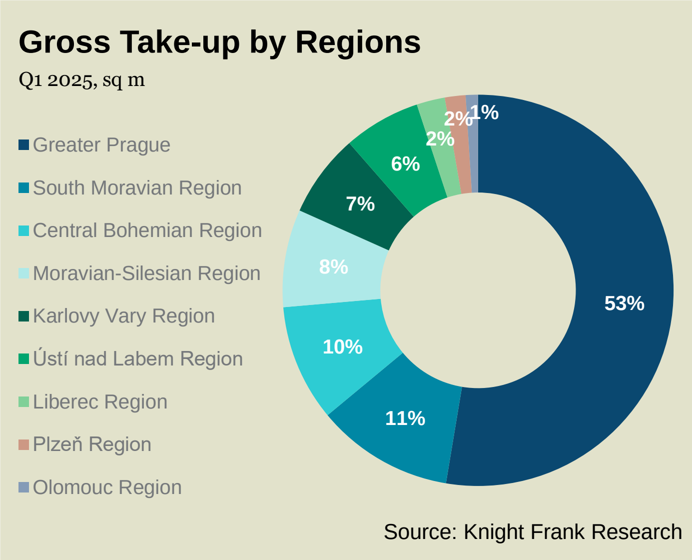
TAKE-UP

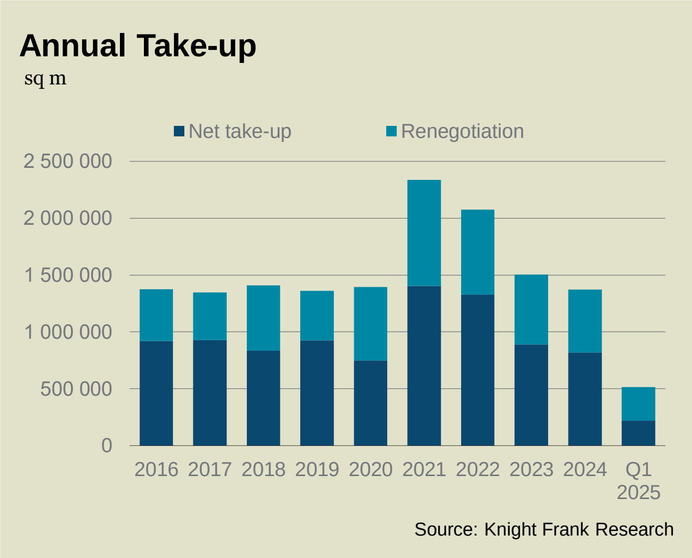
In Q1 2025, the gross take-up reached 515,400 sq m. Compared to the previous quarter, it increased by 17%. In a year-on-year comparison, demand increased by 200%, however, this comparison is misleading, as the demand in the same period last year was the lowest since the end of 2009.

The share of renegotiations represented 57% in Q1 2025. The largest renegotiation was concluded with 3PL company at Prologis Park Prague - Jirny for 147,600 sq m, followed by a renegotiation with DHL (Estée Lauder) at Panattoni Park Cheb for 31,900 sq m.

In Q1 2025, the gross take-up took place in nine regions. More than half (53%) took place in the Greater Prague area, mainly due to the large number of renegotiations. The South Moravian Region (11%) and the Central Bohemian Region (10%) followed.

In Q1 2025, net take-up increased by 115% year-on-year and reached 220,500 sq m. Compared to the previous quarter, it increased only by 1%. The Central Bohemian Region contributed the most to net demand with 23%, mainly thanks to the largest new contract mentioned below in the Industrial Park Nymburk. Greater Prague area followed with 21%, where a large number of new contracts were concluded and the Moravian-Silesian Region with 16%.





TAKE-UP		CHANGE	
Q1 2025		Y/Y	Q/Q
Gross	515,400 sq m	200%	17%
Net	220,500 sq m	115%	1%

SIGNIFICANT NEW LEASES IN Q1 2025

PROPERTY	TENANT	SIZE (sq m)	DEAL TYPE
Industrial Park Nymburk	Linde + Wiemann	40,000	Pre-lease
CTPark Brno Líšeň	Rohlík.cz	17,700	New lease
CTPark Prague East	Confidential	17,200	New lease

MARKET NEWS

- ✓ CTP has launched a project of 50,000 sq m state-of-the-art high-voltage products factory for Hitachi Energy at CTPark Brno. The production building will be equipped with heat pumps and solar panels. The developer aims to obtain the BREEAM Outstanding certification. Following this project for Hitachi Energy, CTP plans to build an adjacent campus that will provide new opportunities for employees and encourage visitors to the park. There will also be flexible mixed-use CTBox units suitable for showrooms, offices, warehouses and production spaces.

- ✓ Based on the valid building permit, the developer Concens Investments (newly GRIDARCH) has commenced construction of Phase III of the Ostrava Airport Multimodal Park in Ostrava Mošnov. The BMW Group will use these three new buildings as an overseas logistics centre. It will be connected, among other things, to the railway terminal.

- ✓ One of the first, and the largest, DHL distribution centres in the Czech Republic, located in Prologis Park Prague-Jirny, is substantially reducing the reliance on fossil fuels. The building, with a storage area of 100,000 sq m, now features a completely new heating system using heat pumps, which significantly contributes to enhancing the building's energy efficiency. In cooperation with its customers and partners, Prologis is implementing state-of-the-art sustainable solutions across all its parks, bringing it closer to its global goal of achieving the net-zero goal by 2040.

- ✓ A new industrial zone, Panattoni Park D4 Příbram, is to be built near the Příbram airport on the D4 highway. The park will consist of four halls with a total floor area of over 70,731 sq m, equipped with advanced technologies including heat pumps. According to the developer, the aim is to achieve BREEAM New Construction certification in the Excellent category. The business park is scheduled for completion in 2028.

- ✓ The second phase of solar power plant installation at ARETE Park Valašské Meziříčí has been completed. Photovoltaic panels with a total capacity of nearly 1 MW have been installed on the rooftops of two buildings. This installation has increased the original capacity by 50%.

Photo source: ctp.eu/cs/news/ctp-invests-eur-57-million-in-construction-of-investment-project-for-hitachi-energy-in-brno-creating-200-jobs/

GREATER PRAGUE

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
3.59 m sq m	0 sq m	144,000 sq m	2.6%

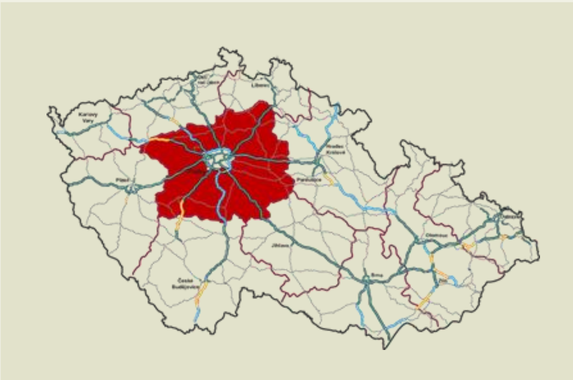
- Prague is a central point of all highway routes and is also an important international railway junction. Air transport including freight is provided mainly by the Václav Havel Airport Prague.
- The Greater Prague area is the largest warehouse and industrial market in the Czech Republic, it accounts for 28% of the country's total stock.
- The unemployment rate was 3.0% in March 2025.
- In Q1 2025, gross take-up amounted to 271,300 sq m, out of which net take-up represented 17%.

Current Rent
€6.00 – 7.50 sq m/month

CENTRAL BOHEMIAN REGION

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
1.04 m sq m	67,000 sq m	124,700 sq m	3.5%

- The Central Bohemian Region has the second densest (after Prague), but also the most overloaded, transport network in the Czech Republic. Main railway and road transit networks run through the region leading to the Capital City. Water transport is also present in the region.
- The unemployment rate was 3.5% in March 2025.
- In Q1 2025, gross take-up amounted to 49,700 sq m, represented by new leases only.

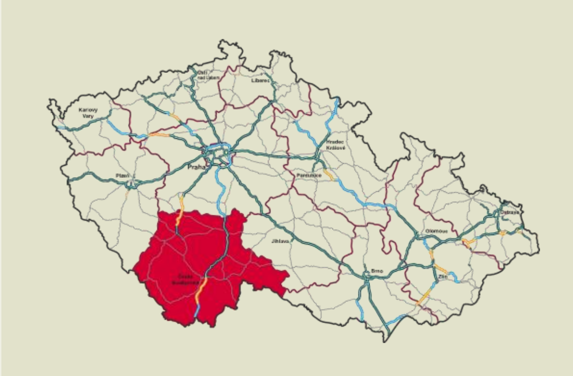


Current Rent
€5.70 –6.50 sq m/month

SOUTH BOHEMIAN REGION

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
169,800 sq m	25,900 sq m	13,100 sq m	0.0%

- The region has been reporting an ever-increasing volume of traffic, particularly on the road. However, the region's territory is not connected to the network of highways within the CR. The planned and partly under construction D3 highway will connect Prague with the South Bohemian Region and further will join the highway network in neighboring Austria. The South Bohemian Region - Austrian Border section should be completed by 2027 and completion in the Central Bohemian Region by 2031.
- The unemployment rate was 3.9% in March 2025.
- No new take-up was realized in Q1 2025.



Current Rent
€5.25 –5.80 **sq m/month**

SOUTH MORAVIAN REGION

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
1.50 m sq m	0 sq m	105,400 sq	3.4%

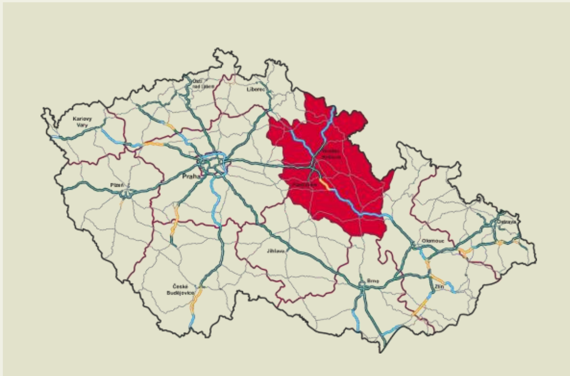
- The South Moravian Region has an important transit function. An important regional transport hub in the case of road, highway, railway and air transport is the city Brno, which is situated at the highway intersection in the direction of Prague (D1), Bratislava (D2), Olomouc (D46) and Vienna (D52). However, the D52 highway is still incomplete and is due to be completed in 2032.
- The South Moravian Region is the third largest logistics market in the Czech Republic after Prague and Plzeň.
- The unemployment rate was 4.9% in March 2025.
- In Q1 2025, gross take-up amounted to 58,500 sq m, out of which net take-up represented 57%.

Current Rent
€5.50 –7. 00 **sq m/month**

HRADEC KRÁLOVÉ AND PARDUBICE REGIONS

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
466,300 sq m	0 sq m	13,700 sq m	4.7%

- The Hradec Králové Region is connected to Prague by the unfinished D11 highway, which, after its completion in 2028, will connect the region with Poland. The Pardubice and Hradec Králové Regions are also crossed by two European long-distance roads E67 (Prague-Warsaw) and E442 (Liberec-Olomouc). The regions are also crossed by the under-construction D35 highway, which should be completed in 2029.
- In March 2025, the unemployment rate was 3.5% in Pardubice Region and 3.7% in Hradec Králové Region.
- No new take-up was realized in Q1 2025.



Current Rent
€5.40 – 6.50 sq m/month

KARLOVY VARY REGION

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
461,300 sq m	105,300 sq m	303,700 sq m	3.3%

- The main road of the Karlovy Vary Region is the unfinished D6 highway (Cheb - Sokolov - Karlovy Vary), which should be completed in 2030. Currently, the highway is connected to Germany by road I/6.
- Most of the existing warehouse space is located the vicinity of Cheb, close to the D6 highway.
- The unemployment rate was 5.3% in March 2025.
- In Q1 2025, gross take-up amounted to 35,400 sq m, out of which net take-up represented 10%.

Current Rent
€5.20 –5.95 sq m/month

LIBEREC REGION

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
434,700 sq m	0 sq m	11,700 sq m	3.5%

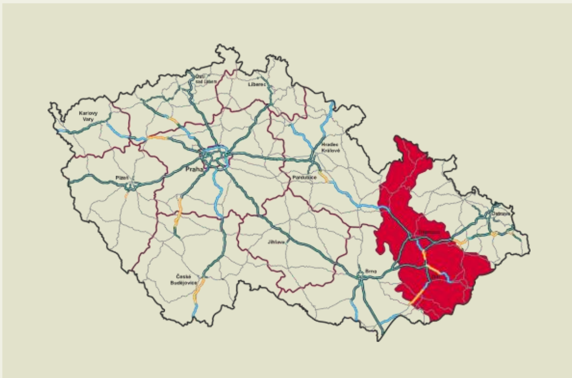
- The region is connected to Prague via the D10 highway, which leads from Prague to Turnov, where it terminates and connects to the I / 35 expressway, which continues to the regional city of Liberec. Passing through the region is the European route E65 running in the direction, Prague, Harrachov, Poland. There are other first-class roads which connect the region with Germany.
- The unemployment rate was 4.8% in March 2025.
- In Q1 2025, gross take-up amounted to 12,100 sq m in a single new lease.

Current Rent
€5.75 – 7.00 sq m/month

OLOMOUC AND ZLÍN REGIONS

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
708,600 sq m	0 sq m	110,100 sq m	2.2%

- The unfinished D1 highway passes through the region but is connected to the regional city of Olomouc by the fully completed D46 highway and the unfinished D35 highway (the so-called northern backbone route, which will connect Bohemia with Moravia). The main highway of the Zlín Region will be the D55 highway, which is under construction and after its completion in 2032 will connect Olomouc with the South Moravian Region through the territory of the Zlín Region. The D49 highway, which will connect eastern Moravia with western Slovakia, is also under construction.
- In March 2025, the unemployment rate was 4.7% in Olomouc Region and 3.6% in Zlín Region.
- In Q1 2025, gross take-up amounted to 5,200 sq m, out of which net take-up represented only 2%.



Current Rent
€4.30 –5.80 sq m/month

MORAVIAN-SILESIAN REGION

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
1.36 m sq m	109,700 sq m	204,400 sq m	13.3%

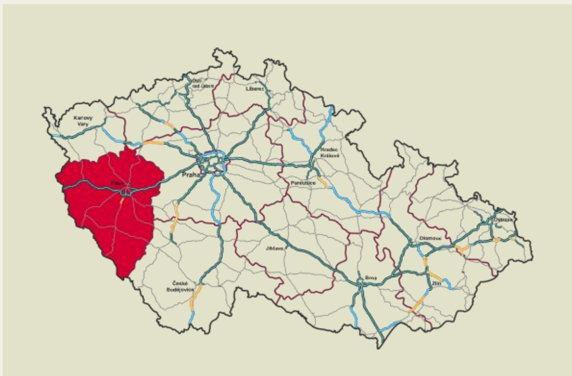
- The main regional road is the D1 highway, which connects the region with the entire country and Polish A1 highway. The region is also crossed by the unfinished D48 highway, which, when completed in 2029, will form part of the third capacity link between the Czech Republic and Slovakia.
- The unemployment rate was 6.0% in March 2025.
- In Q1 2025, gross take-up amounted to 41,600 sq m, out of which net take-up represented 85%.

Current Rent
€5.20 – 5.90 sq m/month

PLZEŇ REGION

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
1.78 m sq m	6,000 sq m	200,400 sq m	9.3%

- An important D5 highway is passing through the region. It leads from Prague around Plzeň to Germany.
- The Plzeň Region is the second largest logistics market in the Czech Republic after Prague, most of the existing warehouse space is located around the regional city of Plzeň.
- The unemployment rate was 3.6% in March 2025.
- In Q1 2025, gross take-up amounted to 8,800 sq m, represented by new leases only.



Current Rent
€5.00 –6.50 sq m/month

ÚSTÍ NAD LABEM REGION

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
896,000 sq m	0 sq m	172,600 sq m	4.6%

- The region has an important transport position given by the link to the European Union. The D8 highway is passing through the region. It leads from Prague to the state border with Germany, where it links to the German A17 highway. Another strategic communication is unfinished D7 highway leading from Prague to Chomutov and further to the border with Germany. Its completion is scheduled for 2029. The Labe (Elbe) River is an important artery of shipping that connects the inland Czech Republic with the North Sea.
- The unemployment rate was 6.6% in March 2025.
- In Q1 2025, gross take-up amounted to 32,800 sq m represented by new leases only.

Current Rent
€4.85 – 6.00 sq m/month

VYSOČINA REGION

TOTAL STOCK	NEW SUPPLY Q1 2025	UNDER CONSTRUCTION	VACANCY RATE
281,100 sq m	0 sq m	43,600 sq m	0.0%

- The road and railway network in the region is strategic from the national as well as European point of view. The territory is a part of Central-European urbanised axis (Berlin – Prague - Vienna / Bratislava - Budapest). The D1 highway thus serves both the national and European transport.
- The unemployment rate was 3.6% in March 2025.
- No new take-up was realized in Q1 2025.

Current Rent
€4.90 – 6.20 sq m/month

DEFINITIONS

Total stock: Modern developer-led warehouse and industrial production space of A class quality (including built-in offices) owned by a developer or investor for lease excluding owner-occupied stock.

New supply: Completed newly built buildings that obtained a use permit in the given period.

Take-up: Total floor space let or pre-let to tenants over a specified period of time for a period longer than one year. Gross take-up also includes renegotiations and contract extensions. Net take-up includes new contracts, expansion of existing premises or pre-leases.

Current rent: Rent offered on the market in class A premises with an area of 4,000 - 5,000 sq m in a given period prior to incentives application.

Unemployment rate: Share of unemployed persons (per population aged 15-64) .

If you've got one about our research or you would like some property advice, we would love to hear from you.

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