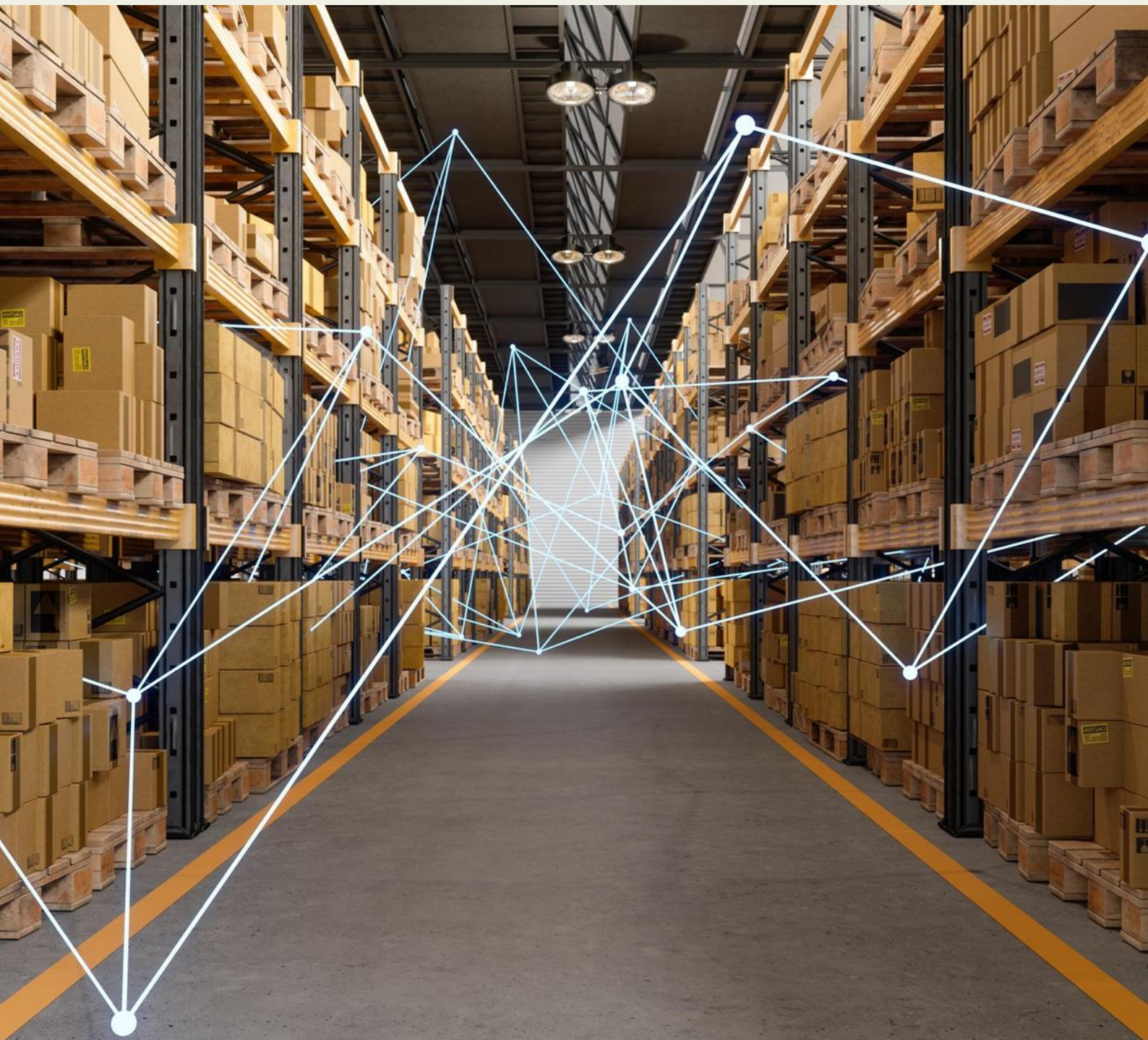






Industrial Market Czech Republic

Q4 2024

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

[www.knightfrankprostory.cz/
en/news](http://www.knightfrankprostory.cz/en/news)
www.knightfrank.com/research



Total stock		12.5 m sq m
New supply Q4 2024		95,000 sq m
Under construction		1.5 m sq m 30% shell & core
Vacancy rate		4.4%

In Q4 2024, the total lettable modern warehouse and industrial area reached almost 12.5 million sq m.

New supply reached only 95,000 sq m the highest volume of new completions was recorded in the Moravian-Silesian Region (47%).

In total 1.5 million sq m were under construction, with the largest construction taking place in the Karlovy Vary Region (27%).

The vacancy rate remained almost unchanged at 4.4% in Q4 2024.

In Q4 2024, the current rental range for warehouse and industrial premises was at the level of €4.30 - 7.50 sq m/month.

In Q4 2024, gross take-up reached 440,600 sq m, 50% of which were renegotiations.

„The landlords are responding to the market situation by increasing their flexibility. This mainly involves reducing the basic rent or increasing incentives. These steps are leading to a market recovery, this quarter we have seen an increase in demand for industrial properties from both Czech and foreign companies.

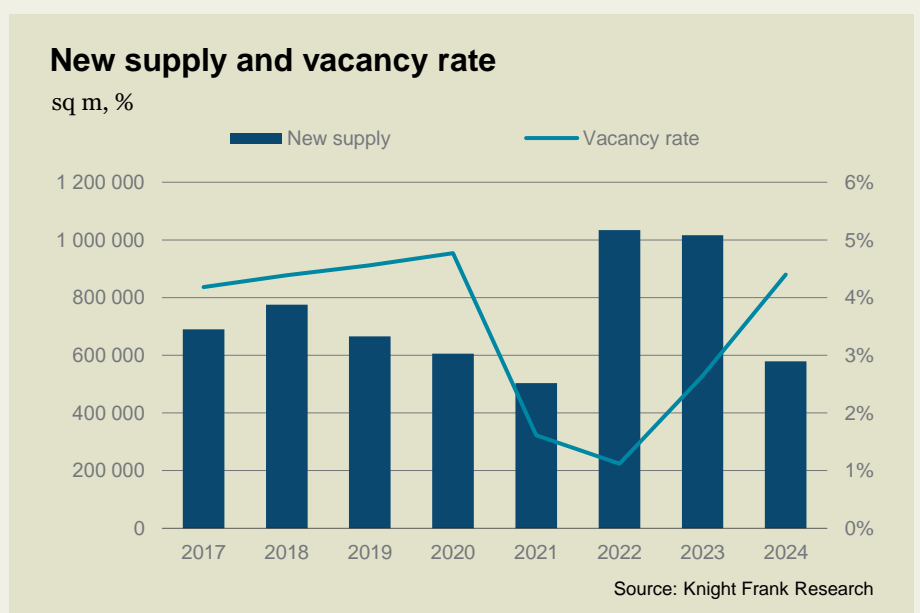
The developer groups are responding to the continued interest of companies in smaller units (Small Business Units) by reassessing the original concept and focusing on dividing the space into smaller sections of 500 - 1,500 sq m, while maintaining a clear height of 10 m and the possibility of using a loading ramp. This concept enables even smaller companies to enter the Czech market and consolidate their position for potential future growth.

The share of buildings completed speculatively to a "shell & core" state, waiting for tenants, is increasing. Therefore, the real vacancy rate is much higher than the reported vacancy rate of 4.4%.

The gradual revitalisation of older industrial parks continues, with a focus on sustainability as well as the investment attractiveness of this product.

The focus on obtaining certifications for new buildings, the emphasis on reducing CO2 emissions and the overall energy efficiency of the operations, both in storage and in the production process, remain priorities".

MARKÉTA VRBASOVÁ
DIRECTOR, HEAD OF INDUSTRIAL & LOGISTICS



12,476,000 sq m

In Q4 2024, the total lettable modern warehouse and industrial area reached almost 12.5 million sq m.

► INDUSTRIAL MARKET OVERVIEW

The total lettable modern warehouse and industrial stock reached almost 12.5 million sq m in Q4 2024. The Greater Prague area remained the largest logistics market, accounting for 29% of the total supply. The Plzeň Region followed with 14%, South Moravian Region with 12%, Moravian-Silesian Region with more than 10% and Central Bohemian Region with 8% of the total supply.

In Q4 2024, only 95,000 sq m were newly completed in 9 industrial parks. Compared to the previous quarter, there was a decrease of 49%, in a year-on-year comparison it was even 67% less. The largest number of completions took place in the Moravian-Silesian Region (47%). In the whole of 2024, 580,000 sq m of new space was completed, 43% less than in 2023. However, it should be noted that an additional more than 430,000 sq m was in shell&core state at the end of 2024. In the whole of 2024, the most space was completed in the South Moravian Region (19%), the Moravian-Silesian Region (17%) and the Central Bohemian Region (14%).

The largest completed project in Q4 2024 was a 25,500 sq m hall in CTPark Ostrava Hrušov, which was fully let at the time of completion to Vitesco Technologies, which manufactures components for the automotive industry. This was followed by premises in CTPark Ostrava Poruba with a size of almost 19,000 sq m for the logistics company Geis. The largest industrial project built in 2024 was the hall with a lettable area of 60,900 sq m for the Goodyear in the Panattoni Park Cheb East industrial park.

At the end of Q4 2024, 1.48 million sq m of warehouse and industrial space was under construction, including shell & core projects, which accounted for 30%. Construction took place on the territory of most regions, except for the Pardubice and Zlín regions. The largest construction took place in the Karlovy Vary Region (27%), the Plzeň Region (13%) and the Moravian-Silesian Region (12%). The Greater Prague area represented 10%. The largest number of spaces in the shell & core state were located in the Plzeň Region (22%) and in the Greater Prague area (19%).

The vacancy rate remained almost unchanged at 4.4% in Q4 2024 (4.5% in the previous quarter). In Q4 2024, vacancy increased slightly quarter-on-quarter in the Karlovy Vary Region by 1.6 percentage points, in the Plzeň Region by 0.6 percentage points and in the Greater Prague area by 0.2 percentage points. Vacancy decreased in the Ústí nad Labem Region by 2.7 percentage points, in the Olomouc / Zlín Region by 1.4 percentage points, in the Central Bohemian Region by 0.4 percentage points and in the Moravian-Silesian Region by 0.2 percentage points. It remained unchanged in other regions. If we include buildings in the shell&core state that are waiting for tenants, the vacancy rate would reach 7.6%.

RENTS

In Q4 2024, the current rent range for warehouse and industrial premises in the Czech Republic was at the level of €4.30 - 7.50 sq m/month. The developers have started responding to the lower demand, which has returned to pre-Covid levels, by reducing base rent and offering other incentives.

The average current rent decreased by almost 7% year-on-year in Q4 2024. We recorded a year-on-year decrease in all regions. The average current rent decreased the most in the Olomouc / Zlín Region by 15%, in the Plzeň Region and Ústí nad Labem Region by 10% and in the Vysočina Region by 9%. The rent in the Greater Prague area decreased by 8.5% year-on-year. Rents remained the most stable in the South Moravian Region, where they fell by less than 2% year-on-year.

Current Rent Range



€4.30 – 7.50 sq m/month

INVESTMENT

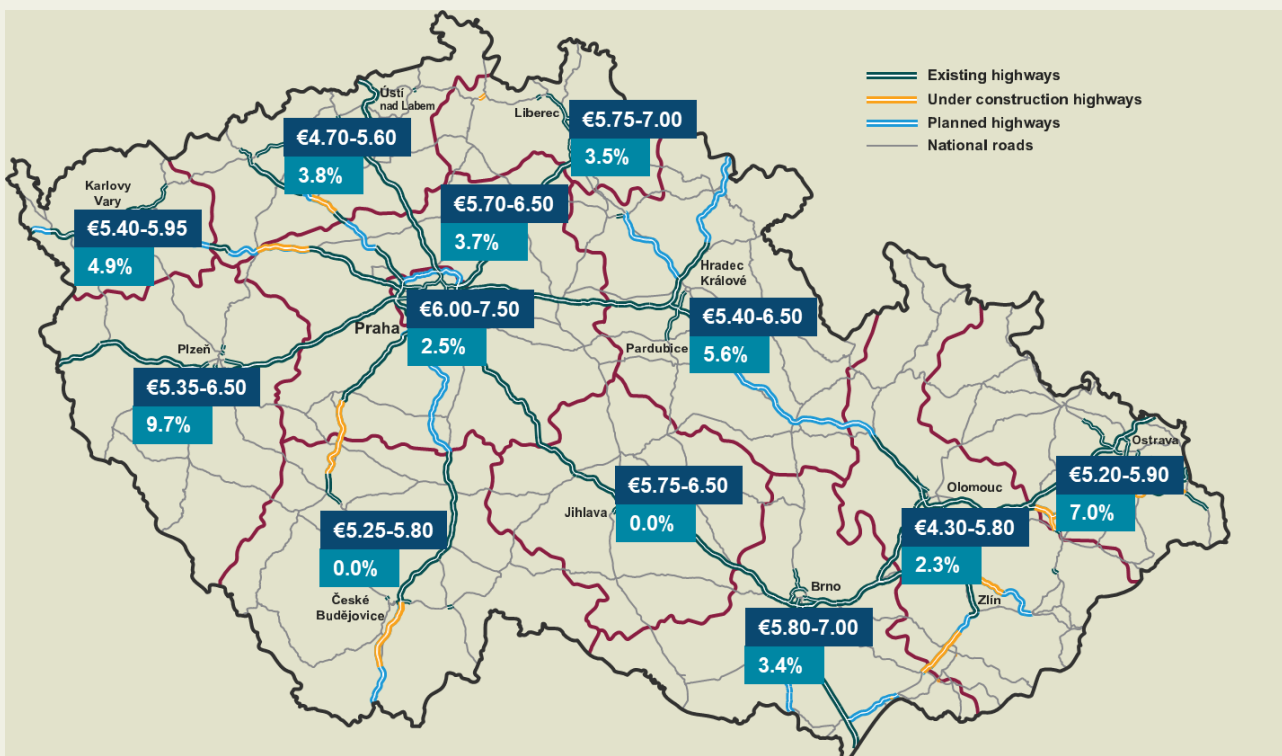
The prime industrial yield remained unchanged at 5.00% in Q4 2024. In the whole of 2024, the share of industrial properties accounted for 12% of the total investment volume.



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 Q4 2024 prior to incentives application

TAKE-UP

In Q4 2024, the gross take-up reached 440,600 sq m. Compared to same period last year, it increased by 9%, in quarter-to-quarter comparison it increased by 31%.

The share of renegotiations represented 50% in Q4 2024. The largest renegotiation was concluded with an undisclosed logistics company at Prologis Park Prague D1 East for 21,300 sq m, followed by a renegotiation with another undisclosed manufacturing company at Prologis Park Pilsen II, also for 21,300 sq m.

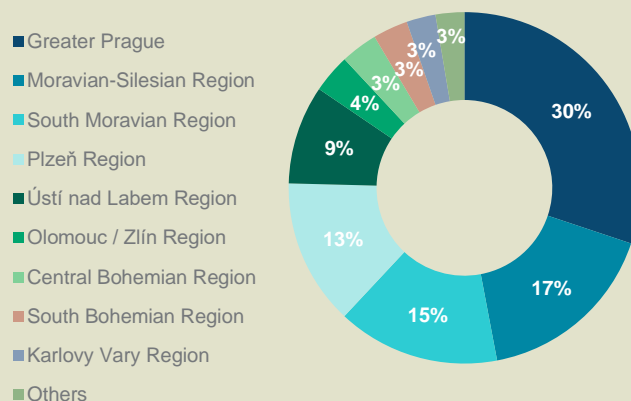
In Q4 2024, the gross take-up took place in ten regions, the highest share was in the Greater Prague area (38%), mainly due to a large number of renegotiations. The South Moravian Region (17%) and the Plzeň Region (16%) followed.

In Q4 2024, net take-up decreased by 3% year-on-year and reached 219,400 sq m. Compared to the previous quarter, it increased by 8%. The South Moravian Region contributed the most to net take-up (32%), mainly due to the largest new contract in CTPark Brno, as detailed below. This was followed by Greater Prague with 24%, where a large number of new contracts were signed, a significant portion of which (28%) in the newly built industrial park Air Depo Tuchoměřice.

In the whole of 2024, gross take-up exceeded 1.4 million sq m, of which net represented 59%. The largest gross take-up was realized in Greater Prague (30%), the Moravian-Silesian Region (17%) and the South Moravian Region (15%). Compared to previous years, it is evident that demand has returned to pre-Covid levels.

Annual Gross Take-up by Regions

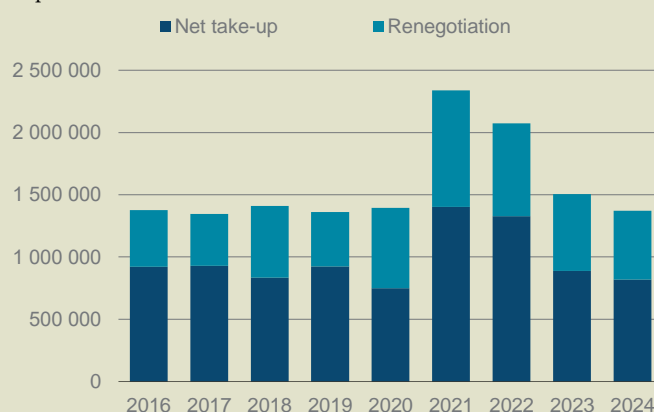
2024, %



Source: Knight Frank Research

Annual Take-up

sq m



Source: Knight Frank Research

TAKE-UP	CHANGE		
		Y/Y	Q/Q
Q4 2024			
Gross	440,600 sq m	9%	31%
Net	219,400 sq m	-3 %	8%

SIGNIFICANT NEW LEASES IN Q4 2024

PROPERTY	TENANT	SIZE (sq m)	DEAL TYPE
CTPark Brno	Hitachi Energy	52,000	New lease
VGP Park Ústí nad Labem City	Confidential	12,400	New lease
Panattoni Park Zdice	Confidential	12,400	Pre-lease

MARKET NEWS

- ✓ Panattoni has become the first company in the Czech industrial development market to receive approval for using wooden trusses and purlins in the construction of large-scale industrial halls for manufacturing and logistics, enabling the seamless integration of modern construction methods with sustainability and setting a new standard in industrial architecture. The first project in the Czech Republic where Panattoni received permission to use this innovation is Panattoni Park Pilsen West III with a lettable area of more than 40,000 sq m in Úherce, 14 kilometers west of Plzeň.
- ✓ The company P3 Logistic Parks received the BREEAM Outstanding certification for hall DC5 in the P3 Prague D11 industrial park. It is the first award at the highest level that P3 has received in the Czech Republic and confirms the company's interest in sustainable development and innovation in the field of industrial real estate.
- ✓ CTP has started the construction of a new distribution center with an area of more than 30,000 sq m in CTPark Blatnice for the electronic pharmacy Redcare Pharmacy, which currently operates in seven European countries. The project is characterised by its emphasis on sustainability and modern technologies, which are required for the storage standards of pharmaceutical products.
- ✓ Garbe company has received a building permit for the construction of two industrial buildings of 20,000 sq m and 11,000 sq m in Pohorelice near the R52 expressway. According to the developer, the entire project, called Garbe Park Brno South, will emphasise sustainability, high technical requirements, energy saving and the associated low operating costs.
- ✓ The Czech development and investment group Contera started cooperation with the American capital company Blackstone, the world's largest alternative asset manager. Blackstone has agreed to acquire CT Real Estate, a portfolio of 10 logistics parks, from TPG Real Estate, with whom Contera has successfully worked with on its industrial portfolio since 2019. In addition, Blackstone has committed to buy a stake directly from Contera, whereby Blackstone will hold a majority stake in Contera's industrial portfolio. Contera will remain a minority shareholder, property manager and developer.



Photo source: panattonieurope.com/cz-cz/novinky

GREATER PRAGUE



TOTAL STOCK

3.59 m sq m



NEW SUPPLY Q4 2024

18,500 sq m



UNDER CONSTRUCTION

144,900 sq m



VACANCY RATE

2.5%

- 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 29% of the country's total stock.
- The unemployment rate was 2.9% in December 2024.
- In Q4 2024, gross take-up amounted to 165,000 sq m, out of which net take-up represented 32%.



Current Rent

€6.00 – 7.50 sq m/month

CENTRAL BOHEMIAN REGION



TOTAL STOCK

972,800 sq m



NEW SUPPLY Q4 2024

0 sq m



UNDER CONSTRUCTION

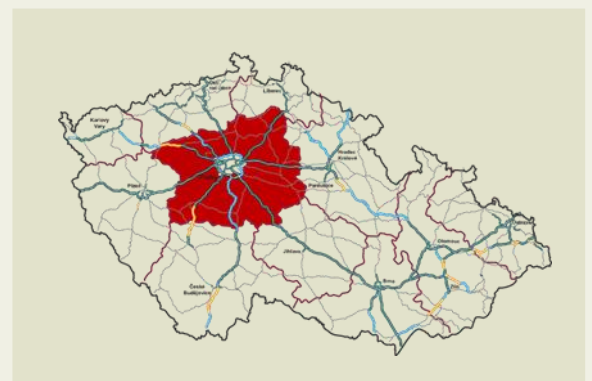
129,000 sq m



VACANCY RATE

3.7%

- 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 3.4% in December 2024.
- In Q4 2024, gross take-up amounted to 32,000 sq m, out of which net take-up represented 55%.



Current Rent

€5.70 – 6.50 sq m/month

SOUTH BOHEMIAN REGION



TOTAL STOCK

143,900 sq m



NEW SUPPLY Q4 2024

0 sq m



UNDER CONSTRUCTION

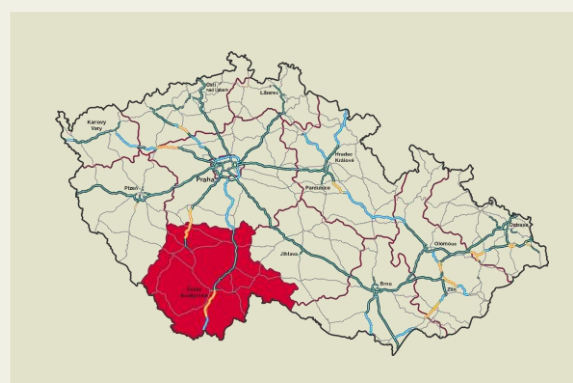
42,200 sq m



VACANCY RATE

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 3.6% in December 2024.
- No new take-up was realized in Q4 2024.



Current Rent

€5.25 – 5.80 sq m/month

SOUTH MORAVIAN REGION



TOTAL STOCK

1.51 m sq m



NEW SUPPLY Q4 2024

6,900 sq m



UNDER CONSTRUCTION

84,200 sq m



VACANCY RATE

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 4.7% in December 2024.
- In Q4 2024, gross take-up amounted to 76,200 sq m, out of which net take-up represented 91%.



Current Rent

€5.80 – 7.00 sq m/month

HRADEC KRÁLOVÉ AND PARDUBICE REGIONS



TOTAL STOCK

471,300 sq m



NEW SUPPLY Q4 2024

0 sq m



UNDER CONSTRUCTION

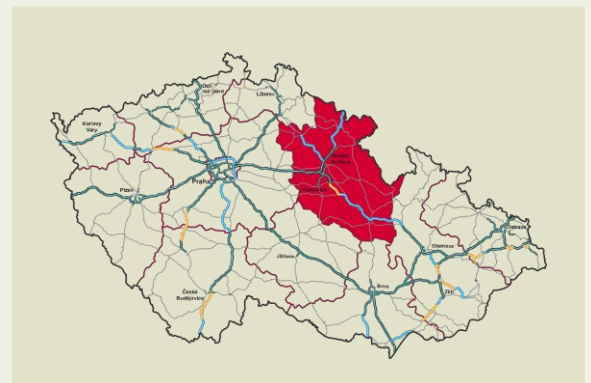
7 300 sq m



VACANCY RATE

5.6%

- 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 December 2024, the unemployment rate was 3.4% in Pardubice Region and 3.6% in Hradec Králové Region.
- In Q4 2024, gross take-up amounted to 17,200, represented by renegotiations only.



Current Rent

€5.40 – 6.50 sq m/month

KARLOVY VARY REGION



TOTAL STOCK

455,900 sq m



NEW SUPPLY Q4 2024

0 sq m



UNDER CONSTRUCTION

388,000 sq m



VACANCY RATE

4.9%

- 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 4.9% in December 2024.
- No new take-up was realized in Q4 2024.



Current Rent

€5.40 – 5.95 sq m/month

LIBEREC REGION



TOTAL STOCK

434,700 sq m



NEW SUPPLY Q4 2024

0 sq m



UNDER CONSTRUCTION

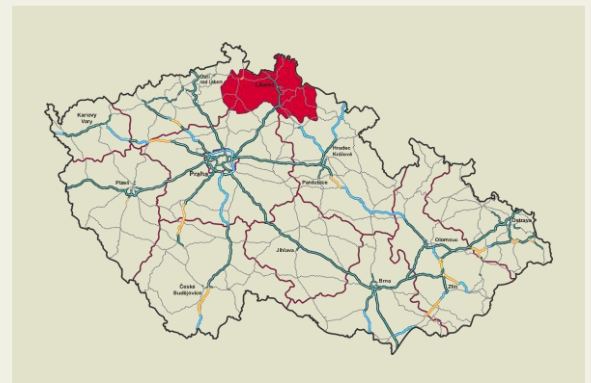
11,700 sq m



VACANCY RATE

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 4.5% in December 2024.
- In Q4 2024, gross take-up amounted to 7,500 sq m in a single new lease.



Current Rent

€5.75 – 7.00 sq m/month

OLOMOUC AND ZLÍN REGIONS



TOTAL STOCK

708,500 sq m



NEW SUPPLY Q4 2024

3,700 sq m



UNDER CONSTRUCTION

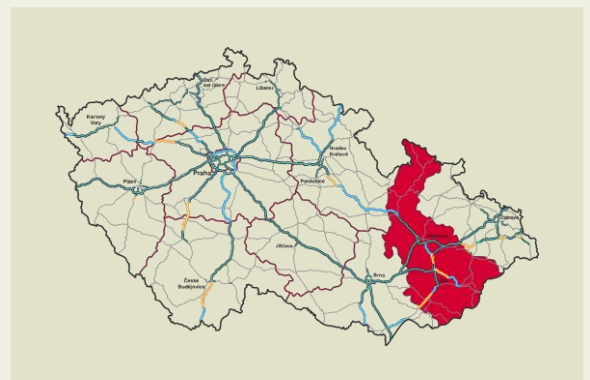
88,600 sq m



VACANCY RATE

2.3%

- 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 December 2024, the unemployment rate was 4.4% in Olomouc Region and 3.4% in Zlín Region.
- In Q4 2024, gross take-up amounted to 8,400 sq m, it was a renegotiation of an existing lease.



Current Rent

€4.30 – 5.80 sq m/month

MORAVIAN-SILESIA REGION



TOTAL STOCK

1.26 m sq m



NEW SUPPLY Q4 2024

44,400 sq m



UNDER CONSTRUCTION

176,000 sq m



VACANCY RATE

7.0%

- 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 5.8% in December 2024.
- In Q4 2024, gross take-up amounted to 43,000 sq m, out of which net take-up represented 63%.



Current Rent

€5.20 – 5.90 sq m/month

PLZEŇ REGION



TOTAL STOCK

1.78 m sq m



NEW SUPPLY Q4 2024

4,800 sq m



UNDER CONSTRUCTION

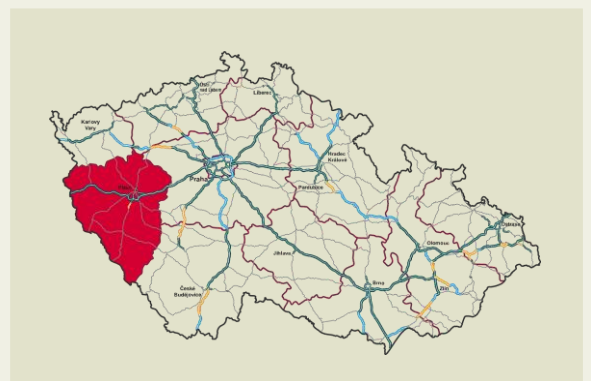
185,700 sq m



VACANCY RATE

9.7%

- 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 3.3% in December 2024.
- In Q4 2024, gross take-up amounted to 70,100 sq m, out of which net take-up represented 35%.



Current Rent

€5.35 – 6.50 sq m/month

ÚSTÍ NAD LABEM REGION



TOTAL STOCK

896,000 sq m



NEW SUPPLY Q4 2024

16,500 sq m



UNDER CONSTRUCTION

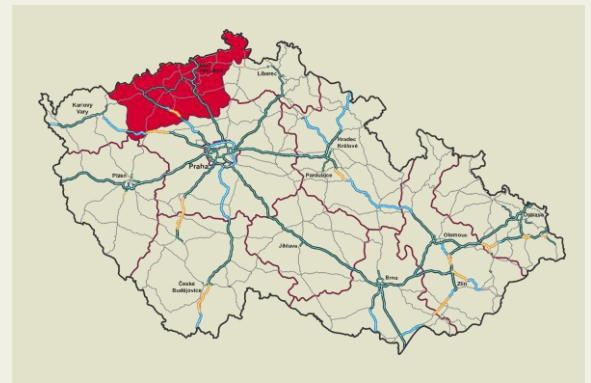
160,200 sq m



VACANCY RATE

3.8%

- 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 6.2% in December 2024.
- In Q4 2024, gross take-up amounted to 21,300 sq m represented by new leases only.



Current Rent

€4.70 – 5.60 sq m/month

VYSOČINA REGION



TOTAL STOCK

260,200 sq m



NEW SUPPLY Q4 2024

0 sq m



UNDER CONSTRUCTION

43,000 sq m



VACANCY RATE

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 3.5% in December 2024.
- No new take-up was realized in Q4 2024.



Current Rent

€5.75 – 6.50 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.

Author:



Pavla Kubíková
Senior Researcher
+420 720 028 221
pavla.kubikova@cz.knightfrank.com



Lenka Šindelářová
Head of Research & Consultancy
+420 602 773 592
lenka.sindelarova@cz.knightfrank.com



Markéta Vrbasová
Director | Head of Industrial & Logistics
+420 724 325 331
marketa.vrbasova@cz.knightfrank.com