MARKET IN MINUTES

Savills Research

Czech Republic - Industrial Market - Q2 2025

Czech Republic Industrial Market

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Quarterly Statistics

Total Stock	Gross Take-Up	Net Take-Up	Vacancy Rate	Completions
13.34 million sq m	290,000 sq m	167,300 sq m	5.5 %	132,000 sq m
Q2 2024: 12.5 mil. sq m YoY change: +7%	Q2 2024: 468,300 sq m YoY change: -38%	Q2 2024: 321,900 sq m YoY change: -48%	Q2 2024: 3.1% YoY change: +238 bps	Q2 2024: 160,500 sq m YoY change: -18%

Economic Indicators[1]

GDP Growth	Inflation	Policy Rates	Unemployment	Gross Monthly Salary
+2.4% (in Q1 2025, YoY)	+2.9% (in June 2025, YoY)	2.1% 3M EURIBOR[2]	2.8% (in May 2025)	€1,530 (national median)[3]
2024: +1.0% 2025 Forecast: +2.0%	2024: +2.4% 2025 Forecast: +2.5%	2024: 3.6% 2025 Forecast: 2.1%	2024: 2.6% 2025 Forecast: 2.6%	Q1 2024: €1,462 YoY change: +4.7%*

1) Based on the data available on 16/7/2025 (Source: Czech Statistical Office, Czech National Bank, Ministry of Finance, European Central Bank); *) The YoY change is also influenced by fluctuations in the exchange rate.
2) Q2 2025 average
3) in Q1 2025

Industrial market highlights

- New deliveries in the first half of 2025 totalled 447,100 sq m, with 32% of that space remaining vacant as of June 2025. The volume of completed construction was 41% higher than in the same period last year and 34% above the 5-year H1 average. However, this growth was driven almost entirely by the exceptionally strong first quarter.

- The new supply brought the total modern industrial stock nationwide to 13.34 million sq m. The national vacancy rate continued its upward trend for the third consecutive quarter, reaching 5.5% in June 2025.

- Supported by a strong first quarter, gross take-up in H1 2025 reached 788,600 sq m, representing a 9% y-o-y increase. However, from a long-term perspective, leasing activity remains 12% below the 10-year H1 average. The proportion of lease renewals rose compared to the long-term average, accounting for 55% of gross take-up in H1 2025.

- Net leasing activity remained subdued, recording the weakest H1 performance since 2014. Tenants committed to 355,700 sq m of new leases for modern industrial space during H1 2025, down 30% y-o-y and 35% below the 10-year H1 average. The Greater Prague submarket attracted the highest volume of new leases, contributing one-third of total H1 net take-up. In terms of tenant profile, demand was primarily driven by logistics service providers, who accounted for 37% of net take-up in H1 2025.

Quarterly market statistics

Key Market Indicators	Gross Take-up (sq m)	Net Take-up (sq m)	New Completions (sq m)	Vacancy at Quarter End
Current quarter	290,000	167,300	132,000	5.5%
Previous quarter	498,600	188,400	315,200	5.3%
YoY movement	-38%	-48%	-18%	+238 bps

Cumulative year-to-date market statistics

Key Market Indicators	Gross Take-up (sq m)	Net Take-up (sq m)	New Completions (sq m)	Total Stock (sq m)
YTD figures	788,600	355,700	447,100	13,343,600
YoY movement	+9%	-30%	+41%	+7%

Data source: Savills

Regional Markets

LIBEREC
- STOCK: 428,100 sq m
- VACANCY: 1%
- NET TAKE-UP: 9,900 sq m
- U/C: 11,900 sq m

HRADEC KRÁLOVÉ
- STOCK: 352,200 sq m
- VACANCY: 2%
- NET TAKE-UP: 3,400 sq m
- U/C: 37,600 sq m

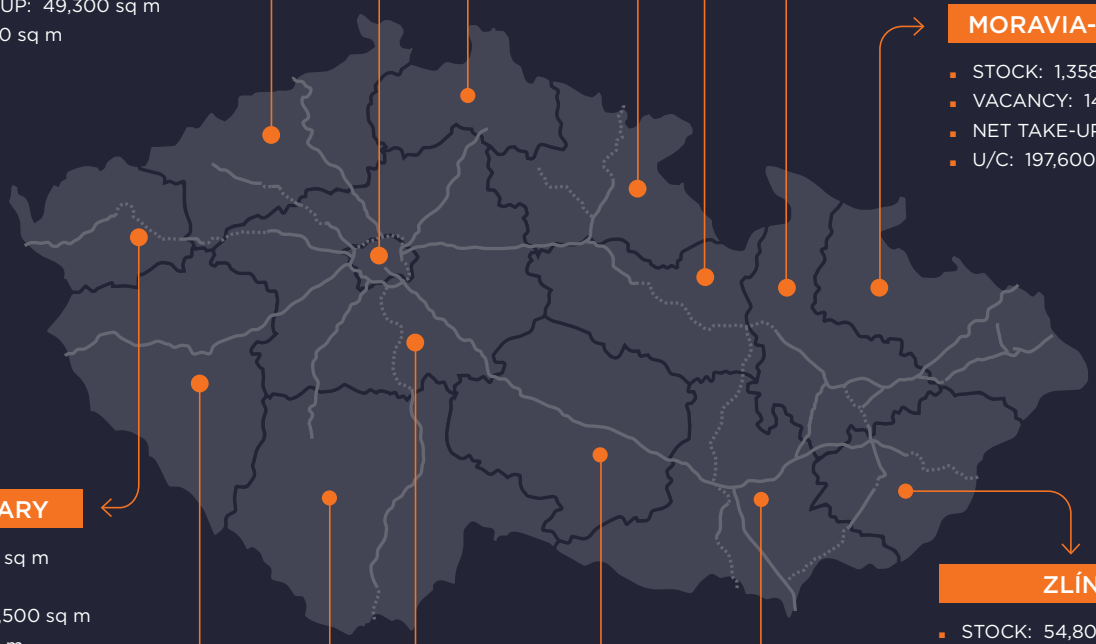
PARDUBICE
- STOCK: 294,600 sq m
- VACANCY: 8%
- NET TAKE-UP: 29,400 sq m
- U/C: 28,300 sq m

PRAGUE
- STOCK: 3,585,500 sq m
- VACANCY: 1%
- NET TAKE-UP: 118,700 sq m
- U/C: 203,200 sq m

OLOMOUC
- STOCK: 666,200 sq m
- VACANCY: 7%
- NET TAKE-UP: 8,200 sq m
- U/C: 69,900 sq m

ÚSTÍ NAD LABEM
- STOCK: 1,025,000 sq m
- VACANCY: 7%
- NET TAKE-UP: 49,300 sq m
- U/C: 116,100 sq m

MORAVIA-SILESIA
- STOCK: 1,358,900 sq m
- VACANCY: 14%
- NET TAKE-UP: 39,700 sq m
- U/C: 197,600 sq m



KARLOVY VARY
- STOCK: 522,300 sq m
- VACANCY: 11%
- NET TAKE-UP: 3,500 sq m
- U/C: 306,900 sq m

ZLÍN
- STOCK: 54,800 sq m
- VACANCY: 0%
- NET TAKE-UP: 0 sq m
- U/C: 1,500 sq m

PILSEN
- STOCK: 1,860,600 sq m
- VACANCY: 8%
- NET TAKE-UP: 23,500 sq m
- U/C: 216,100 sq m

SOUTH MORAVIA
- STOCK: 1,598,600 sq m
- VACANCY: 6%
- NET TAKE-UP: 36,300 sq m
- U/C: 173,800 sq m

SOUTH BOHEMIA
- STOCK: 180,600 sq m
- VACANCY: 2%
- NET TAKE-UP: 0 sq m
- U/C: 3,800 sq m

CENTRAL BOHEMIA
- STOCK: 1,184,300 sq m
- VACANCY: 2%
- NET TAKE-UP: 33,800 sq m
- U/C: 242,200 sq m

VYSOČINA
- STOCK: 231,900 sq m
- VACANCY: 0%
- NET TAKE-UP: 0 sq m
- U/C: 2,300 sq m

Stock, vacancy and U/C (space under construction) represent current quarter data, Net take-up shows cumulative year-to-date figures.
Data source: Savills

Market Review Q2 2025

New Supply and Construction Pipeline

- The volume of new completions in Q2 2025 fell to its lowest quarterly level in the past four years, with 14 units delivered totalling 132,000 sq m of floorspace. The majority of these premises were pre-leased either prior to or during construction, leaving just 6% of the space available for lease at the end of the quarter. In addition to new construction completions, one existing Grade A industrial hall was added to the rental stock through a sale & leaseback transaction.

- Despite the slowdown in Q2 completions, a significant number of pre-let projects are scheduled for delivery in the second half of the year. Consequently, total new supply for 2025 could once again approach the 1 million sq m mark, potentially making it the highest annual volume recorded since 2022.

- The construction pipeline continued to grow, reaching a new all-time high of 1.61 million sq m either under construction or in shell & core finish. Of this total, 43% remains available for lease. The Karlovy Vary region leads in construction activity with 306,900 sq m underway, followed by Central Bohemia (242,200 sq m) and the Pilsen region (216,100 sq m).

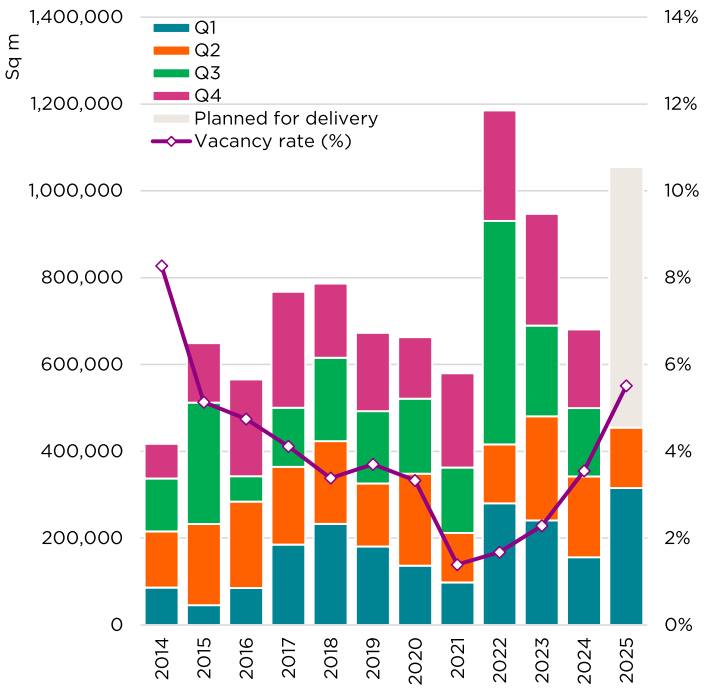
Occupier Demand

- The strong leasing performance seen in Q1 did not extend into the second quarter. Although the market remains active, with numerous ongoing requirements and logistics tenders, gross take-up in Q2 2025 declined to 290,000 sq m, the lowest quarterly total since Q1 2024. Lease renewals continued to play a significant role, accounting for 42% of the quarter's leasing activity.

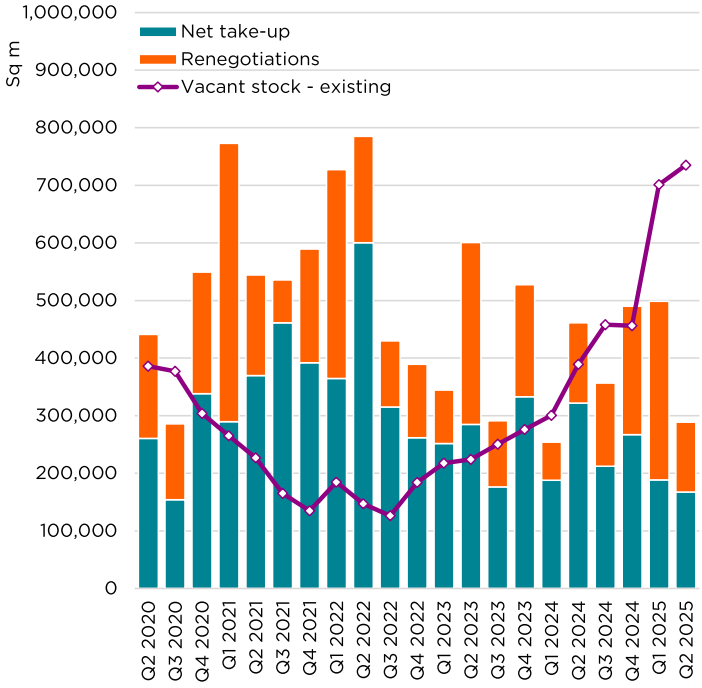
- Net take-up followed the softer trend seen in Q1, declining by 11% q-o-q to 167,300 sq m. This represents the weakest quarterly result since 2020 and is 47% below the 10-year Q2 average. As in Q1, the Greater Prague area accounted for the largest share of net take-up, with the Ústí nad Labem region ranking second, supported by a significant lease deal at P3 Lovosice.

- Logistics service providers led demand for new warehouse space throughout both quarters of 2025, representing 42% of net take-up in Q2 alone. In contrast, manufacturing occupiers (especially those in the automotive sector), traditionally the main drivers of industrial space demand, were notably less active. Their share of Q2 net take-up fell to 23%, significantly below their typical contribution of over 50%.

New Supply



Take-up



Data source: Savills

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Market Review Q2 2025

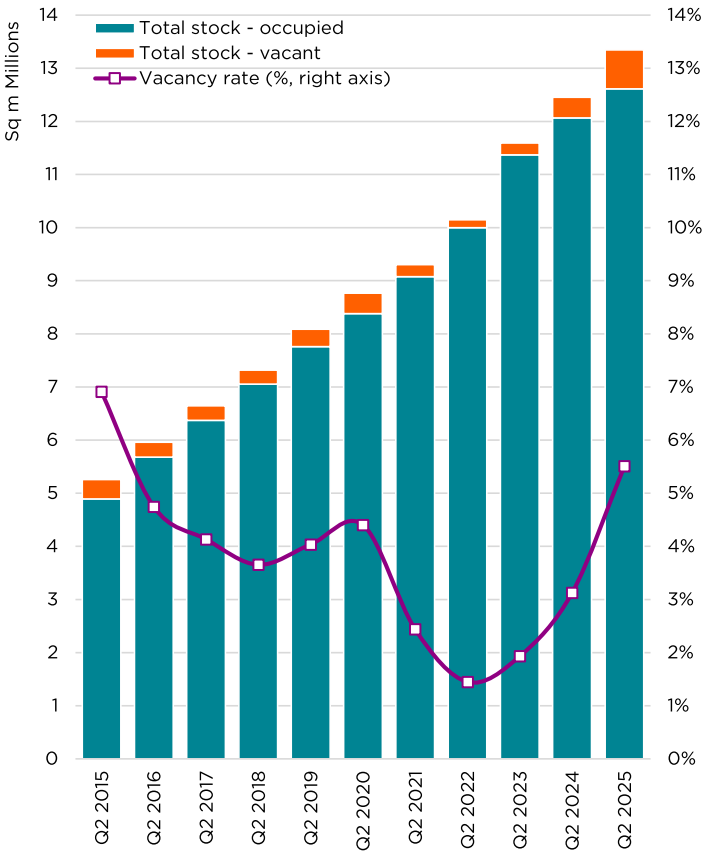
Vacancy Rate

- For the third consecutive quarter, the national vacancy rate continued to rise, reaching 5.5% in June 2025. This quarter's increase in available space was primarily driven by second-hand units returning to the market. Since June 2024, the volume of immediately available space has nearly doubled, from 389,200 sq m to 735,000 sq m, though certain regions and some submarkets within Greater Prague remain supply-constrained. When including shell & core space, the nationwide vacancy rate would climb to 8.2%.
- Among all regions, only Greater Prague and Liberec recorded a y-o-y decrease in immediately available space. Most other regions experienced growing availabilities. The most notable increase occurred in the Pilsen region, where available space rose from 28,800 sq m to 149,200 sq m between June 2024 and June 2025. The Moravia-Silesia region followed, posting a y-o-y increase of 101,800 sq m.
- In Prague, the share of unoccupied space declined once again, returning to 1.5%, the same level recorded at the end of 2024.

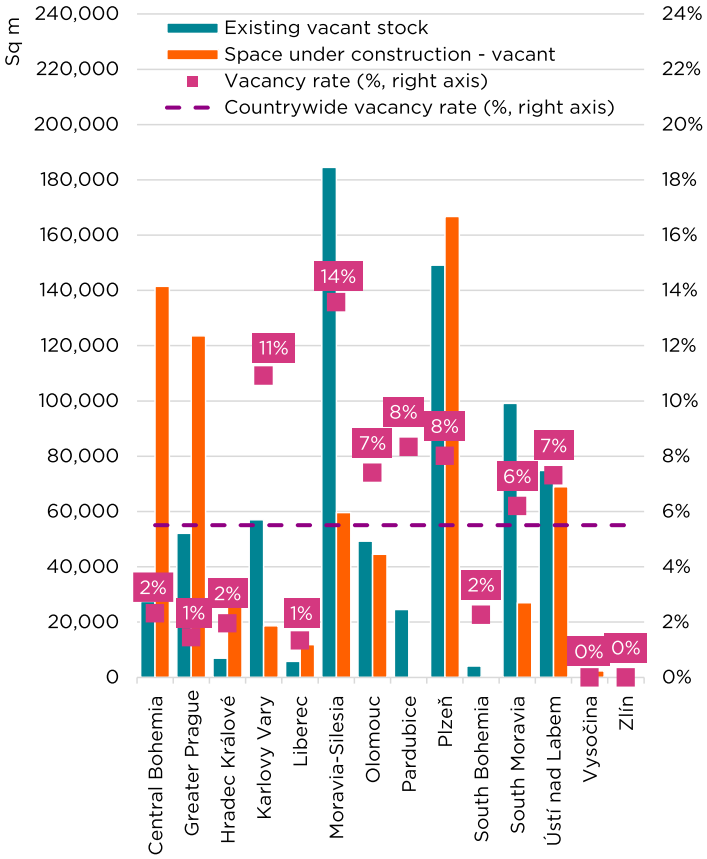
Rent Levels

- In industrial projects surrounding Prague, headline rents for 5,000 sq m units saw a slight decline, now typically ranging between €6.60 and €7.10 per sq m per month. Common lease incentives reduce these rates by approximately €0.25 to €0.45 per sq m.
- Smaller business units of around 500 sq m within Prague continue to command higher headline rents, generally ranging from €8.50 to €9.50 per sq m per month, unchanged from the previous quarter.
- Across other regions, headline rents for modern 5,000 sq m units remained stable, typically falling between €5.30 and €6.00 per sq m per month.
- Rents for ancillary office and sanitary space within industrial buildings around Prague stabilized between €10.50 and €12.00 per sq m per month, but exceed €14.50 per sq m within the city limits. Monthly service charges typically range from €0.95 to €1.20 per leased sq m.

Vacancy



Vacancy in Regions



Data source: Savills

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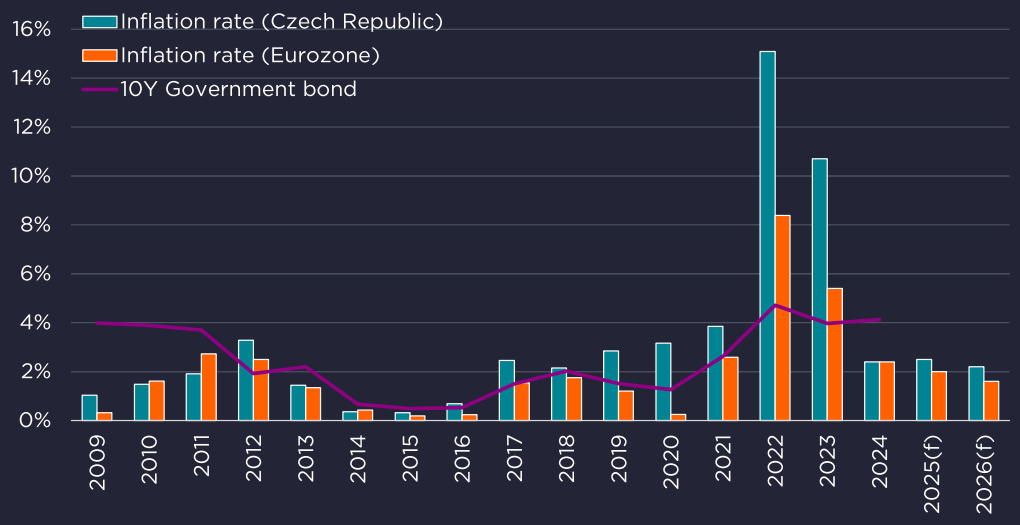
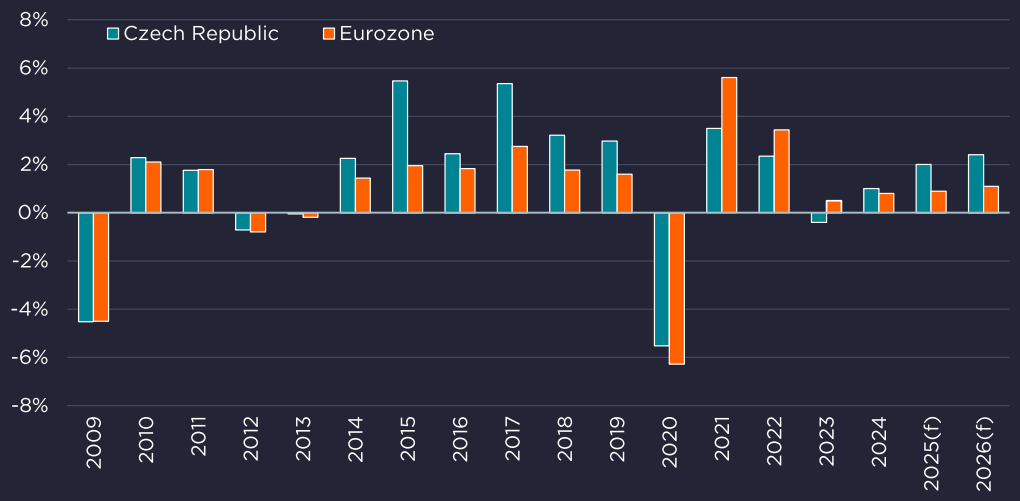
Macroeconomic highlights[1]

- **GDP GROWTH:** Revised data from the CZSO indicate that the Czech Republic's GDP grew by 2.4% y-o-y and by 0.7% q-o-q in Q1 2025. For the full year 2024, the economy recorded a growth rate of 1.0%.
- **INFLATION:** In June 2025, consumer prices increased by 2.9% y-o-y, with a m-o-m inflation rate of 0.3%. In May, the annual inflation rate reached 2.4%, representing a 60 bps rise compared to April. The m-o-m growth in consumer prices in May stood at 0.5%. The average inflation rate for 2024 was 2.4%, remaining close to the CNB's inflation target. According to the CNB's forecast, headline inflation is expected to reach 2.5% in 2025, followed by a slight decline to 2.2% in 2026.
- **UNEMPLOYMENT:** The share of unemployed persons in the economically active population reached 2.8% in May 2025, marking a slight y-o-y increase of 3 bps. Compared to April, when the indicator stood at 2.7%, the rise was marginal.
- **RETAIL SALES:** Real retail sales increased by 5.3% y-o-y in May 2025, despite a modest m-o-m decline of 0.2%. The strongest annual growth was observed in e-commerce and fuel sales.

Inflation Rate and 10Y Government Bond [1]



GDP Growth [1]



+2.0%
GDP GROWTH
2025 PREDICTION
(+1.0% IN 2024)

+2.5%
CPI INFLATION
2025 PREDICTION
(+2.4% IN 2024)

2.8%
NATIONAL
UNEMPLOYMENT
(IN MAY 2025)

+5.3% YoY
RETAIL SALES
(IN MAY 2025)

€1,530
GROSS MONTHLY SALARY
(NATIONAL MEDIAN
IN Q1 2025)

2.1%
3M EURIBOR
(Q2 2025)

3.6%
3M PRIBOR
(Q2 2025)

1) Based on the data available on 16/7/2025 (Source: Czech Statistical Office, Czech National Bank, Ministry of Finance, European Central Bank)

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Used Terms

A-CLASS BUILDING is a modern production or logistics facility featuring truck loading docks and / or direct drive-in gates, with a clear internal storage height of at least 6 m, flat roof, sandwich panels facade and a dust-free concrete floor. (For the avoidance of doubt, older premises without heating, where the facade is made of metal sheets / bricks / masonry are not considered A-class).

TOTAL STOCK includes all A-class warehouses and production facilities developed or owned by a developer and/or investor, which are being leased to third parties (further information about A-class standard is stated above). Owner-occupied and B-class premises are excluded. Total Stock represents the total rentable area of the building and therefore includes not only warehouse and production premises but also the associated offices, lockers, canteens and sanitary space.

NEW SUPPLY represents the volume of A-class warehouses and production facilities where construction was completed in the specified time period. Owner-occupied premises are not tracked.

CONSTRUCTION PIPELINE comprises A-class warehouses and production facilities that are under construction in the specified time period, or in shell & core finish, where full completion takes more than 3 months. Owner-occupied premises are not tracked.

VACANCY RATE demonstrates the share of unleased space within those completed buildings that are included in Total Stock. Units under short-term lease or under offer (with Heads of Terms signed) are considered vacant. For the purposes of vacancy calculation, the unit is leased upon signature of a binding commitment (e.g. Lease Agreement, Amendment etc.). Vacancy is calculated from the total rentable space and therefore includes not only warehouse and production premises but also the associated offices, lockers, canteens and sanitary space.

GROSS TAKE-UP represents the total leasing activity that was recorded within A-class buildings (existing, planned or under construction), which are part of Total Stock, Construction Pipeline or planned. This includes pre-leases, new leases, lease prolongations, lease renegotiations, expansions and subleases. Short-term leases (for a period shorter than 12 months) are excluded. Transactions are recorded based on a Lease Agreement / Future Lease Agreement / Amendment signature date, not based on occupation (handover) date. The statistics include the industrial premises as well as the associated office and sanitary space.

NET TAKE-UP (NET DEMAND) follows the same principles as Gross Take-Up, but excludes subleases, lease renegotiations and prolongations of previously signed lease agreements.

HEADLINE RENTS are rents achieved within standard A-class warehousing units of around 5,000 sq m based on a 5-year lease term. Any above-standard building modifications and fit-outs are excluded. Headline rents exclude any incentives provided by the landlord and also exclude service charges.

SERVICE CHARGES are monthly fees payable in addition to rent for each sq m of internal rented area. This fee covers costs relating to the shared areas within the industrial park (i.e. snow removal from roads, landscaping and greenery maintenance, security services, etc.). The exact scope of services included in the service charges differs developer by developer.

GREATER PRAGUE / PRAGUE does not only cover the cadastral area of the city of Prague but also includes projects located in the Central Bohemia region, that are within 10-15 km radius from the Prague outer ring-road (i.e. the D0 highway).

As data quality and accuracy is important to us, some figures may change even retrospectively due to regular revisions.

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