

Czech Republic Industrial Market

savills



Quarterly Statistics

Total Stock

12.84
million sq m

Q4 2023: 12.1 mil. sq m
YoY change: +6%

Gross Take-Up

431,100
sq m

Q4 2023: 525,900 sq m
YoY change: -18%

Net Take-Up

219,900
sq m

Q4 2023: 330,600 sq m
YoY change: -33%

Vacancy Rate

3.6
%

Q4 2023: 2.3%
YoY change: +131 bps

Completions

181,500
sq m

Q4 2023: 255,600 sq m
YoY change: -29%

Economic Indicators¹

GDP Growth

+1.4%
(in Q3 2024, YoY)

2023: -0.4%
2024 Forecast: +1.1%

Inflation

+3.0%
(in Dec 2024, YoY)

2024: +2.4%
2025 Forecast: +2.6%

Policy Rates

3.0%
3M EURIBOR²

2024: 3.6%
2025 Forecast: 2.1%

Unemployment

2.8%
(in Nov 2024)

2023: 2.6%
2024 Forecast: 2.6%

Gross Monthly Salary

€1,607
(national median)³

Q3 2023: €1,553
YoY change: +3.5%*

¹) Based on the data available on 16/1/2025 (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) Q4 2024 average

³) in Q3 2024

Industrial market highlights

- Annual deliveries in 2024 fell to 680,300 sq m, reflecting a 28% decline y-o-y. At the end of 2024, the total existing grade A stock in the Czech Republic reached 12.84 million sq m, with 28% of this space located in the Greater Prague submarket.
- The nationwide vacancy rate closed the year at 3.6%, marking an increase of 131 bps compared to the previous year.
- The volume of under-construction space surpassed 1.5 million sq m once again, and includes 733,300 sq m of speculative space, which also encompasses all of the shell & core units.
- Total leasing activity in 2024 reached 1,462,900 sq m, consistent with the average annual gross take-up seen from 2014 to 2020, although this represents an 18% decline from the previous year. Lease renewals accounted for 37% of the total gross take-up in 2024.
- A similar trend is evident in net demand, which totalled 908,500 sq m in 2024, a 12% decrease y-o-y. Nevertheless, when viewed from a long-term perspective, net demand has reverted to levels that were more typical before 2021. The regions of Greater Prague, Moravia-Silesia, and South Moravia saw the highest net take-up volumes in 2024, collectively accounting for 53% of the total annual net demand.

Quarterly market statistics

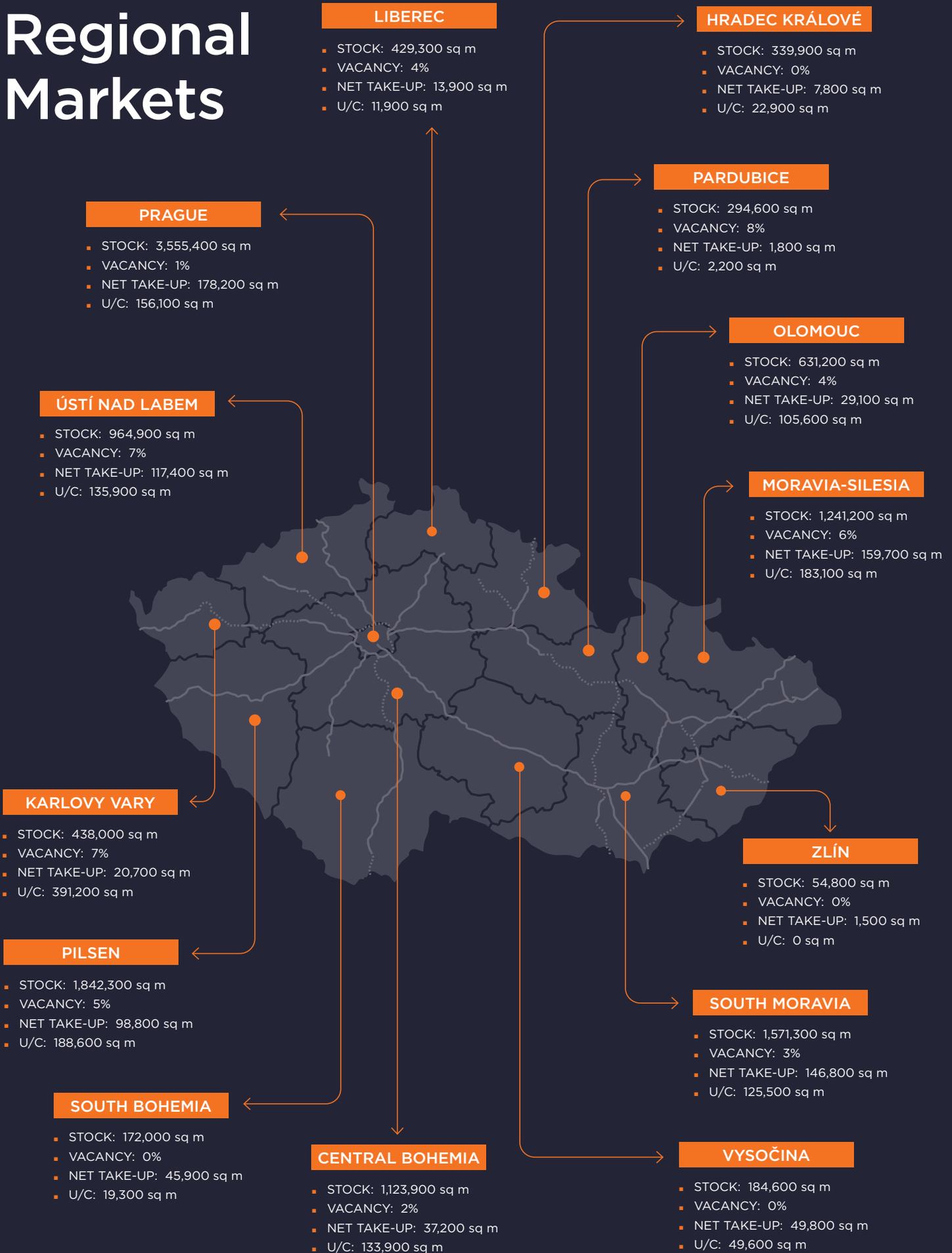
Key Market Indicators	Gross Take-up (sq m)	Net Take-up (sq m)	New Completions (sq m)	Vacancy at Quarter End
Current quarter	431,100	219,900	181,500	3.6%
Previous quarter	342,000	212,900	156,700	3.6%
YoY movement	-18%	-33%	-29%	+131 bps

Annual market statistics for 2024

Key Market Indicators	Gross Take-up (sq m)	Net Take-up (sq m)	New Completions (sq m)	Total Stock (sq m)
Total for the year	1,462,900	908,500	680,300	12,843,500
YoY movement	-18%	-12%	-28%	+6%



Regional Markets



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 Q4 2024

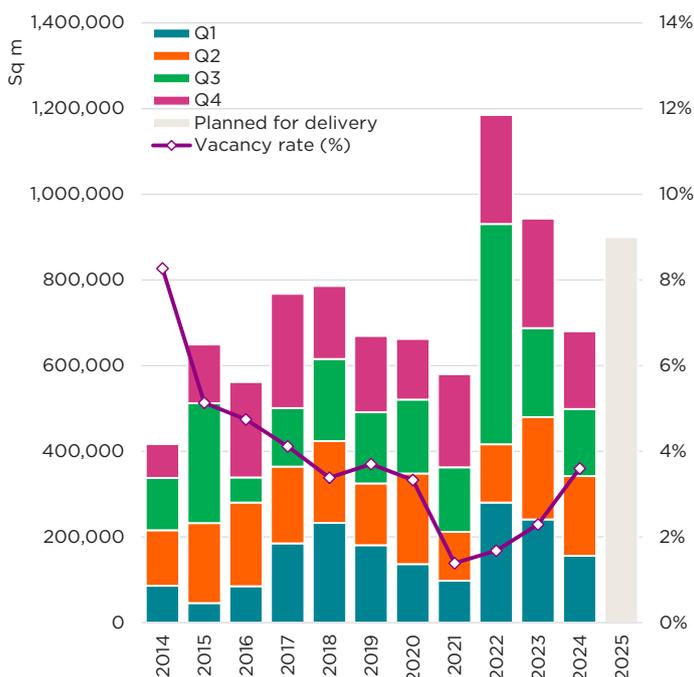
New Supply and Construction Pipeline

- A total of 181,500 sq m was completed across the Czech Republic in the final quarter of 2024, reflecting a y-o-y drop of 29%. Since all of this space was leased prior to construction completion, the 11 units were also handed over to tenants before the year-end. The largest share of new space was delivered to the Moravian-Silesian region (33% of the quarter's deliveries) and the South Moravian region (also 33%).
- As a result of the new supply in Q4, the total modern industrial stock (both leased and available for lease) in the country increased to 12.84 million sq m. The Greater Prague submarket holds the largest share of this stock, with 3.56 million sq m, followed by the Pilsen region at 1.84 million sq m and the South Moravian region at 1.57 million sq m.
- The active construction pipeline, which includes units completed to a shell & core finish along with all other spaces under construction, has expanded to over 1.5 million sq m, with a 52% pre-let ratio. Of this total, the shell & core premises, which continue to be offered for lease, account for nearly 360,000 sq m.
- The largest volumes of speculative development are still underway in the Moravian-Silesian region (172,900 sq m), Pilsen region (126,700 sq m) and the Greater Prague area (115,600 sq m).

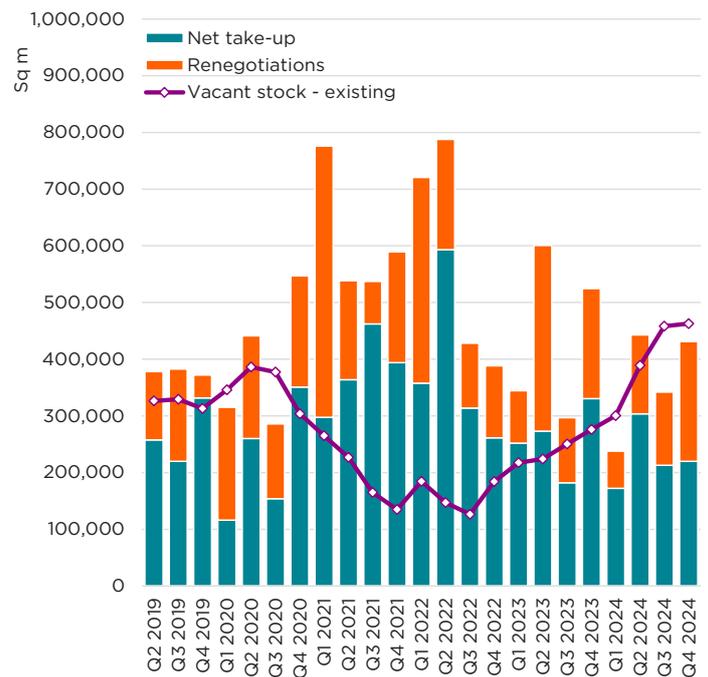
Occupier Demand

- Tenant activity in Q4 2024 totalled 431,100 sq m, marking a 26% increase from the previous quarter but being 18% down y-o-y. The 10-year average for the final quarter of the year is just 5% above the Q4 2024 gross take-up. The share of lease renewals rose to 49% this quarter.
- Net demand, excluding lease renewals, totalled 219,900 sq m, slightly higher than the previous quarter. However, compared to the 10-year average for the final quarter of the year, Q4 2024 results were down by 26%. The South Moravian region recorded the highest level of net demand, accounting for 32% of the quarter's total, followed by the Greater Prague submarket with a 27% share.
- Despite challenges and subdued activity in the automotive industry, the manufacturing sector remains a key driver of demand for industrial real estate in the country. In Q4 2024, manufacturing companies accounted for 51% of net take-up.
- Consistent with trends seen in previous quarters, the majority of the deals signed in Q4 2024 involved smaller units. Specifically, 66% of the net take-up deals by deal count were smaller than 3,000 sq m.

New Supply



Take-up



Market Review Q4 2024

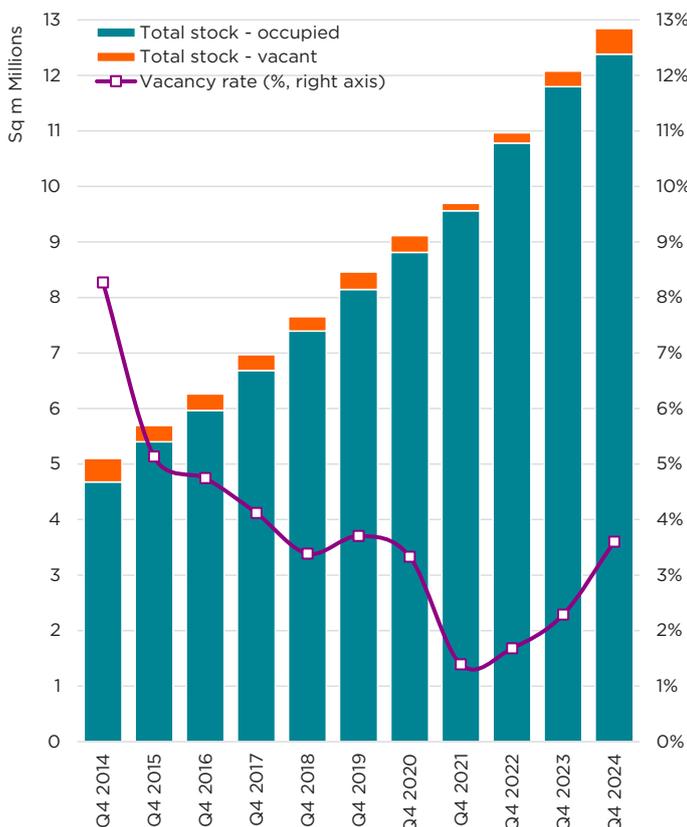
Vacancy Rate

- The national vacancy rate remained relatively stable compared to the previous quarter, closing the year at 3.6%, which represents an increase of 131 bps from a year ago. While this rate is considered very low, the volume of immediately available space grew from 276,100 sq m at the end of 2023 to 462,800 sq m in December 2024. Additionally, many 3PL providers offer available capacity within their warehouses, and some sublease or lease takeover opportunities are still present in the market.
- All new supply in Q4 2024 was pre-leased; however, 13% of the space completed earlier in the year was still vacant in December.
- The largest volumes of vacant space are found in the Pilsen region, followed by the Moravian-Silesian and Ústí nad Labem regions. Of the vacant units, 14 exceed 10,000 sq m in floor area.
- In the Greater Prague submarket, the vacancy rate has dropped to 1.5% (from 2.3% in the previous quarter). The vast majority of this available space remains concentrated on the western outskirts of the city.

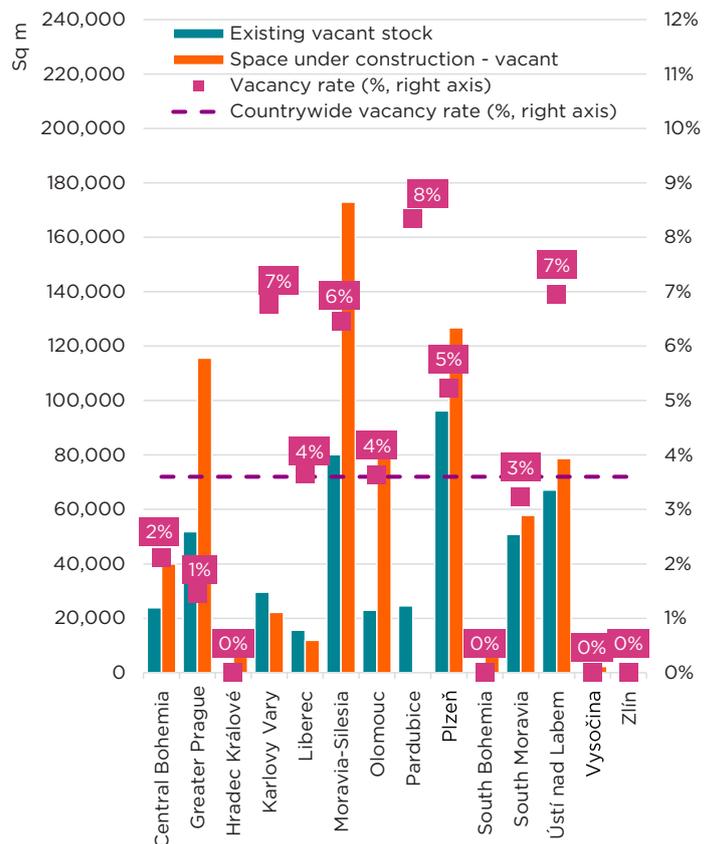
Rent Levels

- Headline rents in Prague have remained stable, typically ranging from €7.00 to €7.50 per sq m per month for units of around 5,000 sq m. However, lower headline rates can be found in certain locations, and after factoring in landlord incentives, the lowest effective rents hover around €6.00.
- In other regions, headline rents for new premises have also remained steady, continuing to range from €5.30 to €6.00 per sq m per month. In select submarkets, effective rents (after accounting for landlord incentives) may even dip below €5.00.
- Headline rates for smaller units under 2,000 sq m have seen a slight decrease, now ranging from €6.50 to €8.30 per sq m per month.
- Offices and sanitary areas within industrial halls remain in the rental range of €9.90 to €12.00 per sq m per month.
- Monthly service charges are still between €0.90 and €1.10 per leased sq m.

Vacancy



Vacancy in Regions



Macroeconomic highlights¹

- GDP GROWTH:** The CZSO's revised estimate confirmed economic growth in the Czech Republic in Q3 2024. Adjusted for price effects and seasonality, GDP grew by 1.4% y-o-y and by 0.5% compared with the previous quarter.
- INFLATION:** Consumer prices increased by 3.0% y-o-y in December 2024, an increase of 0.2 percentage point compared with the previous month. On a m-o-m basis, prices fell by 0.3% thanks to lower prices in the food and non-alcoholic beverages and alcoholic beverages, tobacco sections. The average inflation rate stood at 2.4% in 2024. The CNB expects headline inflation to reach 2.6% in 2025 and 2.2% in 2026.
- UNEMPLOYMENT:** The share of the unemployed persons in the economically active population was 2.8% in November 2024. The share rose by 0.2 percentage point y-o-y. The Czech Republic has maintained an unemployment rate of up to 3% since May 2021.
- RETAIL SALES:** Retail sales, adjusted for price effects, continued to grow y-o-y in November 2024, rising by 4.3% in real terms. There was a decline of 0.1% on a m-o-m basis.

+1.1%

GDP GROWTH
2024 PREDICTION
(-0.4% IN 2023)

+2.6%

CPI INFLATION
2025 PREDICTION
(+2.4% IN 2024)

2.8%

NATIONAL
UNEMPLOYMENT
(IN NOVEMBER 2024)

+4.3% YoY

RETAIL SALES
(IN NOVEMBER 2024)

€1,607

GROSS MONTHLY SALARY
(NATIONAL MEDIAN
IN Q3 2024)

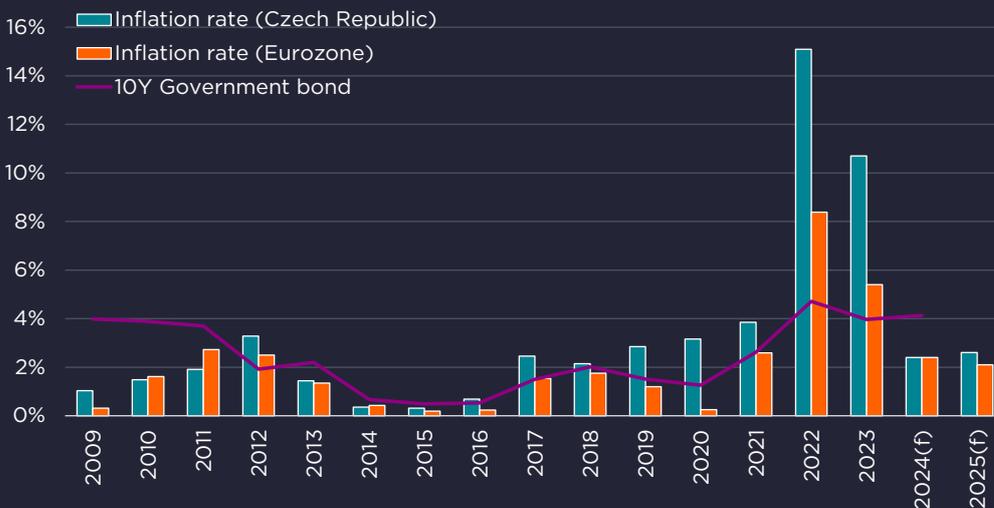
3.0%

3M EURIBOR
(Q4 2024)

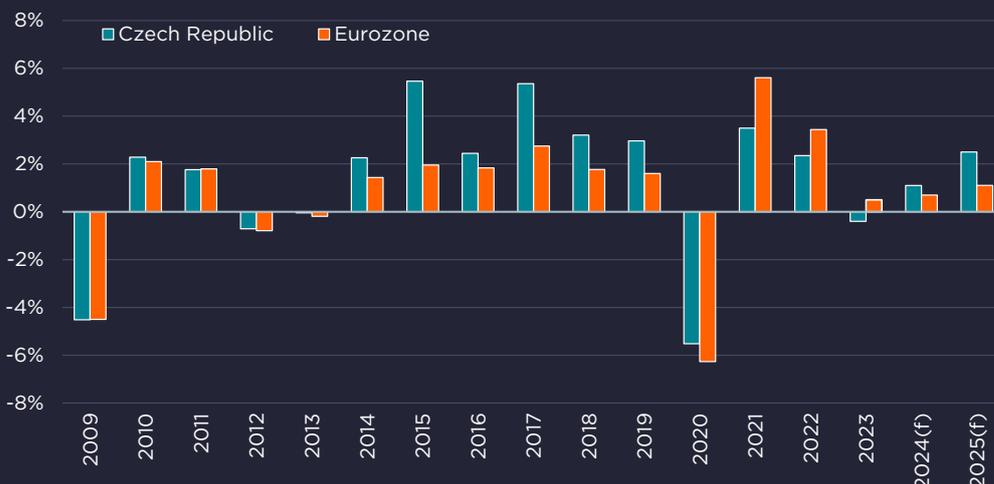
4.0%

3M PRIBOR
(Q4 2024)

Inflation Rate and 10Y Government Bond¹



GDP Growth¹



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

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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