MARKET IN MINUTES

Savills Research

Czech Republic Industrial Market

Quarterly Statistics

Total Stock	Gross Take-Up	Net Take-Up	Vacancy Rate	Completions
13.18 million sq m	498,500 sq m	188,300 sq m	5.3 %	314,100 sq m
Q1 2024: 12.2 mil. sq m	Q1 2024: 261,800 sq m	Q1 2024: 193,700 sq m	Q1 2024: 2.5%	Q1 2024: 156,000 sq m
YoY change: +8%	YoY change: +90%	YoY change: -3%	YoY change: +287 bps	YoY change: +101%

Economic Indicators[1]

GDP Growth	Inflation	Policy Rates	Unemployment	Gross Monthly Salary
+1.8% (in Q4 2024, YoY)	+2.7% (in March 2025, YoY)	2.6% 3M EURIBOR[2]	2.7% (in Feb 2025)	€1,653 (national median)[3]
2024: +1.0%	2024: +2.4%	2024: 3.6%	2024: 2.6%	Q4 2023: €1,618
2025 Forecast: +2.0%	2025 Forecast: +2.4%	2025 Forecast: 2.2%	2025 Forecast: 2.6%	YoY change: +2.2%*

1) Based on the data available on 16/4/2025 (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) Q1 2025 average
3) in Q4 2024

Industrial market highlights

- With 314,100 sq m of new completions, Q1 2025 saw the highest quarterly new supply volume since Q3 2022. Development activity also gained momentum, with nearly 1.55 million sq m under construction as of March 2025, 61% of which is already pre-leased.
- The total existing stock expanded to nearly 13.2 million sq m. Nationwide vacancy rose to its highest level since 2015 and in March 2025 stood at 5.3%, up from 3.6% at year-end 2024.
- Total leasing activity in Q1 2025 reached 498,500 sq m, significantly bolstered by lease renewals. This figure represents a 90% y-o-y increase and a modest 1% rise compared to the previous quarter. From a long-term perspective, gross take-up was 17% above the 10-year Q1 average.
- Net take-up, which excludes lease renewals, totalled 188,300 sq m, down 3% y-o-y and 30% below the previous quarter, making it the weakest result since Q3 2023. The Greater Prague submarket captured 34% of Q1 net take-up and by sector, logistics service providers led new demand, representing 33% of all new leases signed during the quarter.

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	498,500	188,300	314,100	5.3%
Previous quarter	491,300	268,700	181,500	3.6%
YoY movement	+90%	-3%	+101%	+287 bps

Data source: Savills

Regional Markets

LIBEREC
- STOCK: 430,600 sq m
- VACANCY: 4%
- NET TAKE-UP: 0 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

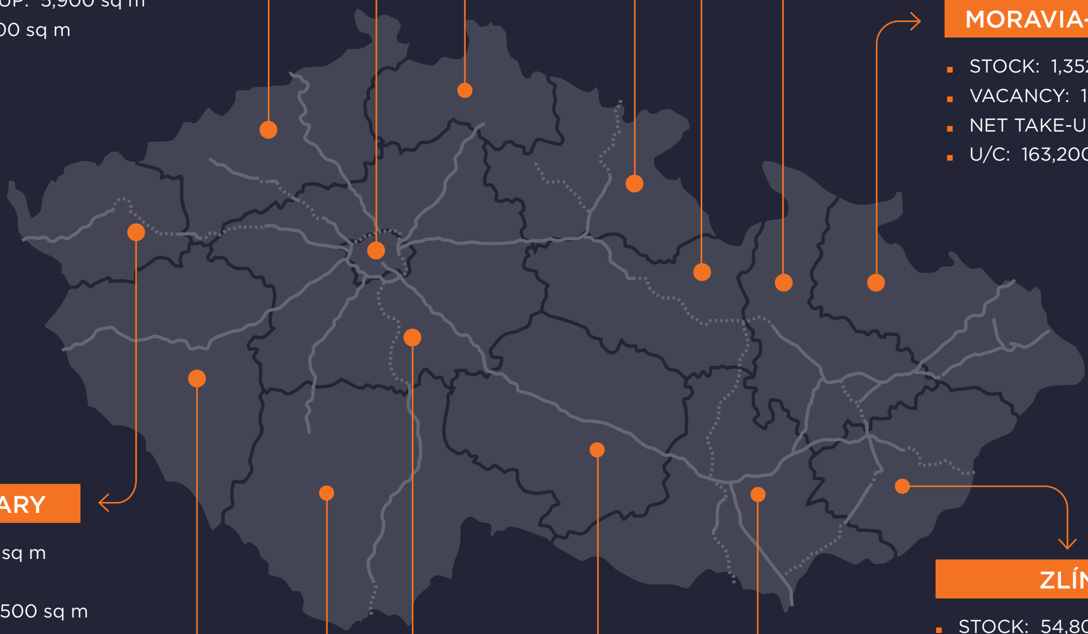
PRAGUE
- STOCK: 3,569,200 sq m
- VACANCY: 2%
- NET TAKE-UP: 64,100 sq m
- U/C: 179,600 sq m

PARDUBICE
- STOCK: 294,600 sq m
- VACANCY: 8%
- NET TAKE-UP: 29,400 sq m
- U/C: 4,400 sq m

OLOMOUC
- STOCK: 665,200 sq m
- VACANCY: 8%
- NET TAKE-UP: 0 sq m
- U/C: 69,900 sq m

ÚSTÍ NAD LABEM
- STOCK: 960,700 sq m
- VACANCY: 7%
- NET TAKE-UP: 5,900 sq m
- U/C: 178,000 sq m

MORAVIA-SILESIA
- STOCK: 1,352,300 sq m
- VACANCY: 14%
- NET TAKE-UP: 32,800 sq m
- U/C: 163,200 sq m



KARLOVY VARY
- STOCK: 522,300 sq m
- VACANCY: 6%
- 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: 1,848,400 sq m
- VACANCY: 7%
- NET TAKE-UP: 8,100 sq m
- U/C: 197,800 sq m

SOUTH MORAVIA
- STOCK: 1,588,700 sq m
- VACANCY: 5%
- NET TAKE-UP: 24,800 sq m
- U/C: 173,800 sq m

SOUTH BOHEMIA
- STOCK: 172,000 sq m
- VACANCY: 0%
- NET TAKE-UP: 0 sq m
- U/C: 13,000 sq m

CENTRAL BOHEMIA
- STOCK: 1,181,400 sq m
- VACANCY: 3%
- NET TAKE-UP: 16,400 sq m
- U/C: 159,500 sq m

VYSOČINA
- STOCK: 184,600 sq m
- VACANCY: 0%
- NET TAKE-UP: 0 sq m
- U/C: 49,600 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 Q1 2025

New Supply and Construction Pipeline

- Q1 2025 saw the completion of 14 new industrial units across the Czech Republic, adding a total of 314,100 sq m to the national inventory. Of this newly constructed space, 46% remains available for lease. The Moravian-Silesian region emerged as the most significant contributor to this new supply, adding three industrial buildings totalling nearly 110,000 sq m, with all of that space available for lease. The region of Karlovy Vary followed closely behind, welcoming two industrial buildings, totalling 84,400 sq m (all pre-leased).

- An additional 1.55 million sq m remains under construction nationwide and 39% of this upcoming space remains available for lease. This construction pipeline also includes more than 400,000 sq m of space completed to shell & core, where construction has been put on hold until tenants are secured. Despite recent completions, Karlovy Vary remains the most active region for ongoing development, accounting for 20% of all construction activity, followed by the Pilsen region with a 13% share.

- In the Greater Prague submarket, nearly 180,000 sq m is either under construction or completed to shell & core, with only 28% pre-leased.

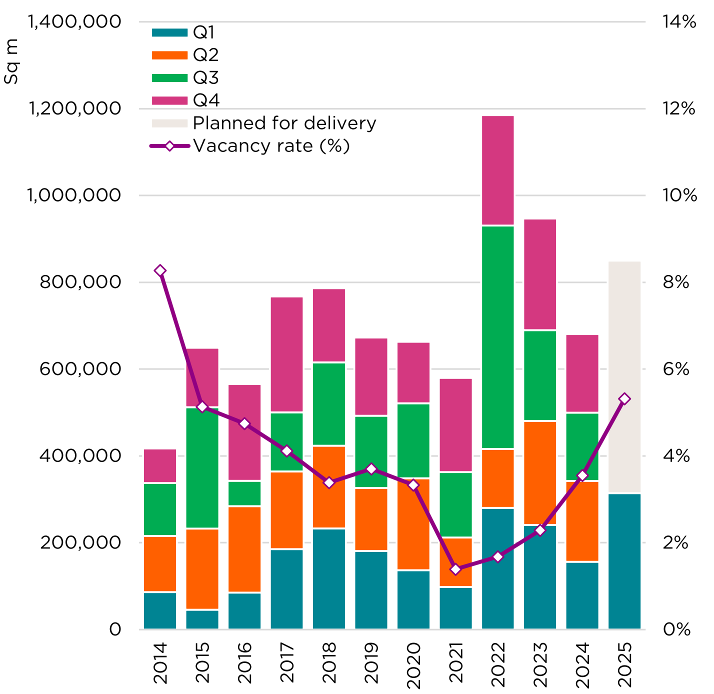
Occupier Demand

- Total leasing activity across the Czech Republic reached 498,500 sq m in Q1 2025, marking the highest quarterly volume since Q4 2023. However, this strong performance was largely driven by a high proportion of lease renewals, which accounted for 62% of the activity. The Greater Prague submarket recorded the highest share of these renewals, primarily due to a major lease extension signed by a third-party logistics (3PL) provider.

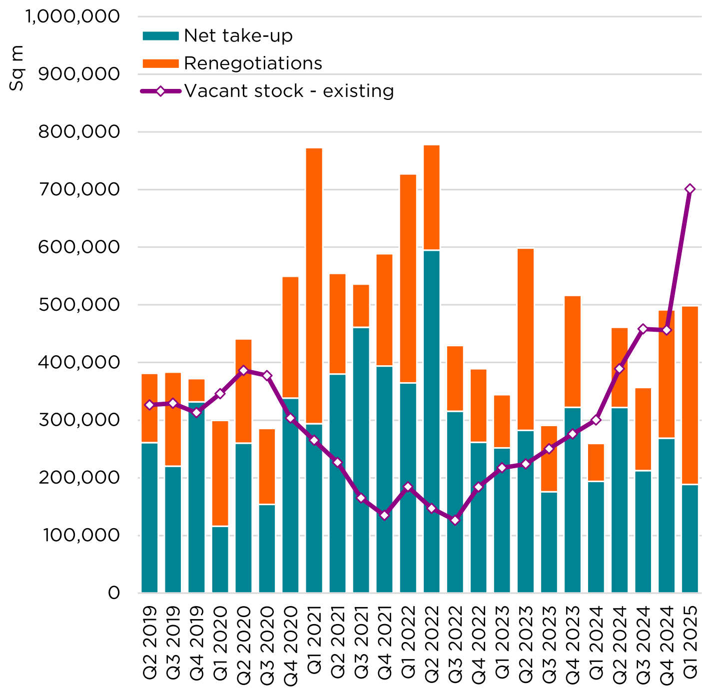
- Following a solid result in Q4 2024, net demand declined to 188,300 sq m in Q1 2025. While this volume was comparable to Q1 2024 both in terms of square metres and transaction count, it represented a 20% decrease against the 10-year Q1 average. The Greater Prague area captured the largest share of net take-up, both by floorspace and number of deals. The Moravian-Silesian region recorded the second-highest volume of new leases, followed by the Pardubice region.

- New demand recorded this quarter came from a diverse mix of tenants. Demand from manufacturing companies declined, while logistics providers led the way, followed by distribution firms. The five largest new leases in Q1 2025 were signed by five different types of occupiers and totalled 96,100 sq m, a 15% decrease from the 112,500 sq m recorded in Q1 2024.

New Supply



Take-up



Data source: Savills

Market Review Q1 2025

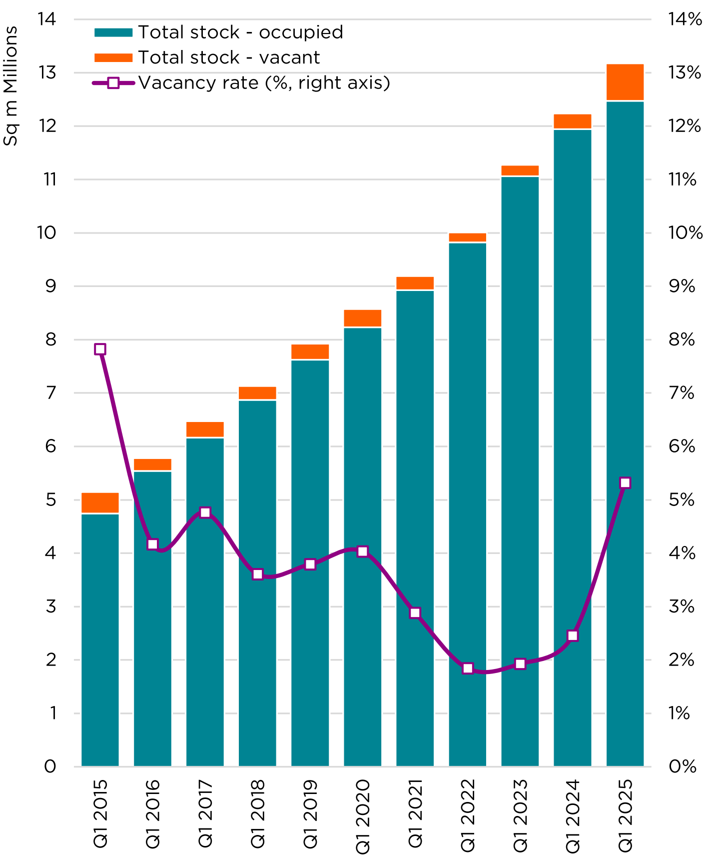
Vacancy Rate

- The delivery of new speculative developments, combined with an influx of second-hand space, drove the national vacancy rate up by 177 bps to 5.3%. Immediately available space grew to 701,000 sq m, the highest level ever recorded in the Czech industrial market. When including shell & core space, the nationwide vacancy rate would rise further to 8.1%.
- The most significant increases in immediately available space were recorded in regions that already exhibited elevated vacancy levels, namely the Moravian-Silesian and Pilsen regions. A notable newcomer this quarter is the Olomouc region, where several speculative buildings have recently been completed.
- In contrast, the Greater Prague submarket experienced only a marginal rise in vacancy, from 1.5% at the end of 2024 to 1.8% in Q1 2025. When considering only warehouse and production space (excluding office and sanitary areas) Prague's vacancy rate stands even lower, at just 1.3%.

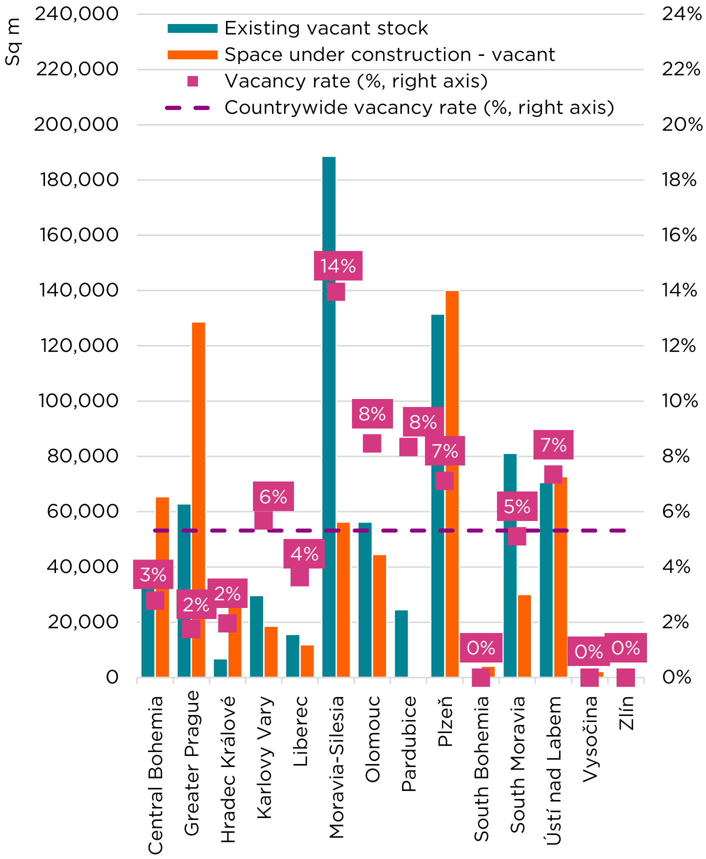
Rent Levels

- Headline rents for 5,000 sq m industrial units in Prague remained largely stable during the quarter, typically ranging from €7.00 to €7.50 per sq m per month. More competitive pricing is available in the northern parts of the Prague submarket, where effective rents, after accounting for incentives, can fall to around €6.00.
- Smaller business units in Prague, particularly those around 500 sq m, continued to command premium rates due to strong demand and limited availability, with headline rents generally ranging between €8.50 and €9.50 per sq m per month.
- Outside the Prague region, headline rents for modern 5,000 sq m units also remained steady, typically falling within the €5.30 to €6.00 per sq m per month range.
- Rents for ancillary office and sanitary areas located within industrial facilities stabilized between €9.90 and €12.00 per sq m per month. And monthly service charges continued to range from €0.90 to €1.10 per leased sq m, in line with previous quarters.

Vacancy



Vacancy in Regions



Data source: Savills

Macroeconomic highlights[1]

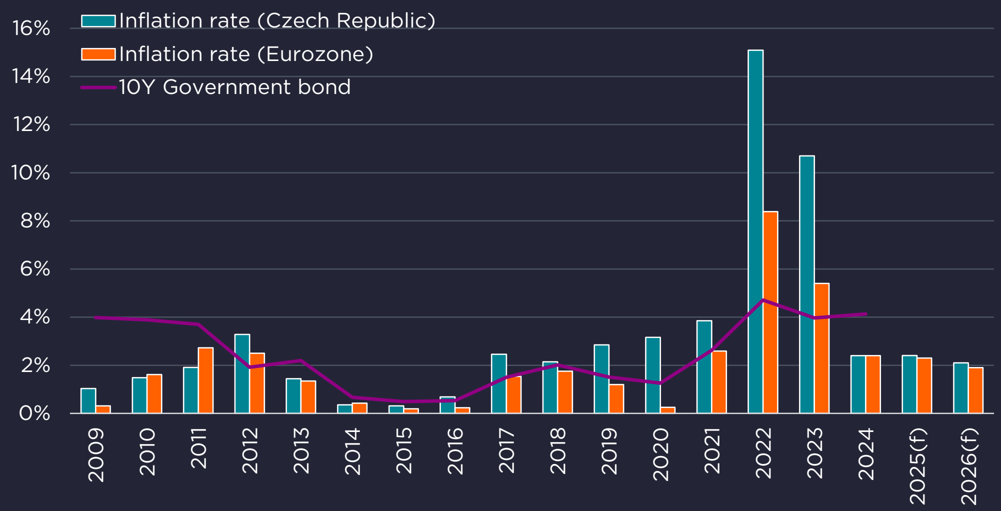
- **GDP GROWTH:** According to the CZSO revised estimate, the Czech GDP increased by 1.8% y-o-y in Q4 2024. Compared to the previous quarter, the GDP grew by 0.7%. For the entire year 2024, the economy expanded by 1.0%.

- **INFLATION:** Y-o-y inflation remained unchanged in March 2025 compared to February, standing at 2.7%. Consumer prices increased by 0.1% m-o-m in March. This slight rise was mainly driven by higher prices in the food and non-alcoholic beverages segment. The average annual inflation rate in the Czech Republic in 2024 reached 2.4%. The CNB forecasts that overall inflation will reach 2.4% in 2025 and is expected to ease slightly to 2.1% in 2026.

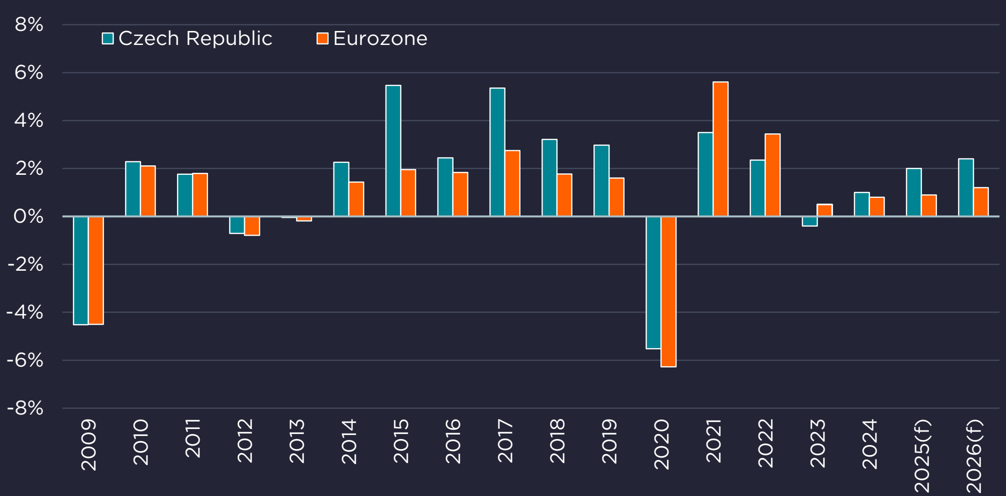
- **UNEMPLOYMENT:** The unemployment rate, measured as the share of unemployed persons in the economically active population, reached 2.7% in February 2025. This represents an increase of 0.1 percentage point compared to the same period last year.

- **RETAIL SALES:** In February 2025, real retail sales rose by 3.8% y-o-y, with internet sales and fuel sales contributing the most to the increase. Compared to January, real retail sales grew by 0.4%.

Inflation Rate and 10Y Government Bond [1]



GDP Growth [1]



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

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

2.7%
NATIONAL
UNEMPLOYMENT
(IN FEBRUARY 2025)

+3.8% YoY
RETAIL SALES
(IN FEBRUARY 2025)

€1,653
GROSS MONTHLY SALARY
(NATIONAL MEDIAN
IN Q4 2024)

2.6%
3M EURIBOR
(Q1 2025)

3.8%
3M PRIBOR
(Q1 2025)

1) Based on the data available on 16/4/2025 (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.

Savills Czech Republic & Slovakia

We provide bespoke services for landowners, developers, occupiers and investors across the lifecycle of residential, commercial or mixed-use projects. We add value by providing our clients with research-backed advice and consultancy through our market-leading global research team.

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