

Press Release

Prague, 25th April 2024

Q1 2025: The vacancy rate remained unchanged, proving the stability of the Czech industrial market

Industrial Research Forum Announces Industrial Market Figures for Q1 2025

- **Modern industrial stock in the Czech Republic reached 12.44 million sq m**
- **Demand for industrial space remained strong in Q1 2025, with gross take-up reaching 511,600 sq m**
- **At the end of Q1 2025, almost 1.07 million sq m of industrial space was under active construction**
- **Newly commenced construction picked up, reaching 243,000 sq m, the highest volume since Q3 2023**
- **The vacancy rate remained stable during the quarter at 3.1%**
- **Prague's average highest achievable rent remained stable, standing at €7.00-7.50 per sq m per month**

COMMENTARY

James Fitzgerald, Regional Head of Industrial Agency at iO Partners, comments:

"The Czech industrial market continues to show its strength and resilience – steady, reliable, and full of potential. The solid foundations built by the sector over the last decade is supporting ongoing growth and confidence in the sector."

TOTAL STOCK & NEW SUPPLY

The modern, developer-led warehouse stock in the Czech Republic reached 12.44 million sq m in the first quarter of 2025. Approximately 134,900 sq m was delivered to the market within 6 industrial parks across the country. This represents a 26% increase compared to the previous quarter and a decrease of 9% y-o-y. All new projects were already pre-leased at the time of completion.

The largest completion in Q1 2025 was a new building in Panattoni Park Ostrov - North (57,200 sq m), which was at the time of completion fully leased to a production company ZF. The second-largest completed project was an extension of Garbe Park České Budějovice (29,500 sq m), which was fully pre-leased by NOBO AUTOMOTIVE. The third largest completed project was in Panattoni Park Ostrov South (27,000 sq m), leased to WITTE Automotive.

PROJECTS UNDER CONSTRUCTION

At the end of Q1 2025, approximately 1,066,800 sq m of industrial space was under active construction in the Czech Republic, representing an increase both q-o-q (8%) and y-o-y (20%). Approximately 26% of the total space under construction is situated in Prague & Central Bohemia, followed by the Karlovy Vary region with a 25% share.

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The share of speculative space under construction decreased to 28%. At the same time, developers commenced new construction of 243,000 sq m of modern industrial space in Q1 2025, with only 14% of this space being constructed on a speculative basis.

In addition, approximately 500,000 sq m of industrial space is currently halted in the shell & core stage, awaiting completion once a tenant is secured.

INDUSTRIAL TAKE-UP

During Q1 2025, gross take-up, including renegotiations, reached 511,600 sq m. This represents a significant increase of 152% compared to the same period last year and an 18% increase q-o-q. Renegotiations accounted for 62% of the total gross take-up, up from 50% in the previous quarter. This was mainly affected by the largest deal of this quarter, a renegotiation of 147,600 sq m.

Net take-up in Q1 2025 totalled 193,600 sq m, showing a decrease of 11% q-o-q. However, compared to Q1 2024, net take-up increased by 36%.

The largest new transaction in Q1 2025 was a pre-lease of 40,000 sq m in Industrial Park Nymburk, signed by a production company Linde Wiemann. The second-largest new transaction was a pre-lease of 17,700 sq m in CTPark Brno Líšeň, signed by an e-commerce company Rohlík CZ. The third-largest new deal was a new lease of 17,200 sq m in CTPark Prague East signed by an undisclosed tenant. The largest renegotiation (147,600 sq m) of Q1 2025 was concluded by a 3PL company in Prologis Park Prague-Jirny.

VACANCY

At the end of Q1 2025, the vacancy rate in the Czech Republic stood at 3.1.% representing a marginal decrease of 4 basis points q-o-q. Compared to Q1 2024, the vacancy rate increased by 102 bps. A total of 381,100 sq m of modern industrial premises is available for immediate occupation. The vacancy in modern industrial space in Prague & Central Bohemia is slightly lower than the national rate, reaching 3.0% at the end of Q1 2025.

RENT

Prime headline rents remained stable at the level of around €7.00 - €7.50 sq m/month in the Czech Republic in Q1 2025. Selected prime locations outside of Prague follow a similar development, achieving around €5.70-6.60 sq m/month. Rents for mezzanine office space stand between €9.50 - €12.50 sq m/month. Service charges are typically around €0.75–1.00 sq m/month.

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Industrial Research Forum

The Industrial Research Forum was established in 2010 with its aim to provide clients with consistent, accurate and transparent data about the Czech Republic industrial real estate market. The members of the Industrial Research Forum, CBRE, Colliers, Cushman & Wakefield and iO Partners, share non-sensitive information and believe the establishment of the Industrial Research Forum will enhance transparency on the Czech industrial market.

JLL has entered into a partnership agreement with iO Partners in the Czech Republic, as of July 1st 2023. iO Partners guarantees seamless continuity in the real estate business with its esteemed status as a JLL preferred partner in the CEE region.

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Definitions:**Total stock and new supply:**

Modern developer-led warehouse and industrial production space of A class quality owned by a developer or investor for lease to third parties. It does not include owner-occupied stock. New supply includes the above-mentioned space completed during the given period including office space.

Under construction:

A class developer-led warehouse and industrial production space that is under active construction during the given period. It does not include projects in the shell & core phase. Owner occupied projects are not included.

Take-up:

Take-up represents the total floor space that was let or pre-let over the specified period of time. A property is taken-up when the lease or future lease contract is signed. This includes only long-term leases of a period longer than one year. Gross take-up includes renegotiations and sub-leases. Net take-up excludes these and includes only new leases, pre-leases, and expansions of space within existing lease contracts.

Vacancy rate:

Ratio of physically vacant space in completed buildings on the total stock of warehouse and industrial space including office areas.

Prime rent:

Represents the top open market rent that could be expected for a notional distribution warehousing unit of the highest quality and specification in the prime location within a market, as at the survey date (normally at the end of each quarterly period). The rent quoted is based on a prime unit of 5,000 sq m gross internal leased for a period of five years, with ceiling heights of over 8 metres, used primarily for distribution/warehousing uses. Selected prime locations outside of Prague includes the 3 major hubs (Pilsen, Brno and Ostrava)

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