

Rents remain stable, the highest volume of construction in the past two years

Industrial Research Forum Announces Industrial Market Figures for Q2 2025

- Modern industrial stock in the Czech Republic reached 12.68 million sq m.
- Gross take-up decreased to 304,900 sq m, representing a decline compared to the previous quarter.
- At the end of Q2 2025, almost 1.2 million sq m of industrial space was under construction, which was the highest volume since Q3 2023.
- The vacancy rate reached 4.0%, up by 127 basis points year-on-year.
- Prague's highest achievable rent remained stable for the third consecutive quarter, standing at €7.00-7.50 per sq m per month.

COMMENTARY

Jiří Kristek, Head of the Industrial and retail Warehousing Team at Cushman & Wakefield, comments:

"In the second quarter of 2025, the industrial market recorded an increase in vacancy, along with a decline in both net and gross take-up. At the same time, the volume of newly started construction decreased. These indicators clearly signal a continued market stagnation, as demand is slowing and key expansion decisions are being postponed. While prime headline rents remain at previous levels, what is changing is the achieved effective rent – tenants are increasingly successful in negotiating higher incentives. This is particularly true in locations with higher vacancy rates or significant available supply, where landlords are more inclined to offer additional motivation. That said, overall demand remains solid, though in many cases it is shifting forward in time for various reasons."

TOTAL STOCK & NEW SUPPLY

The total stock of modern industrial space for lease in the Czech Republic reached 12.68 million sq m. In the Q2 2025, 131,600 sq m of new warehouse space was delivered to the market across seven industrial parks. This represents a 38% decrease compared to the previous quarter. However, year-on-year new supply increased by 32%.

The largest completed industrial hall in Q2 2025 was located in Logistic Centre Jihlava II (43,600 sq m), and was fully leased to Bosch Powertrain upon completion. The second largest project was a hall in Panattoni Park Chomutov North (41,100 sq m), occupied by manufacturing company Thermoflex and logistics provider HOPI. The third largest completed project was in VGP Park Ústí nad Labem City (18,800 sq m), fully leased to logistics company Mailstep.

PROJECTS UNDER CONSTRUCTION

At the end of the Q2 2025, a total of 1,178,800 sq m of warehouse and manufacturing space was under construction in the Czech Republic. This represents an increase of 17% quarter-on-quarter and 19% year-on-year. As in the previous quarter, approximately 28% of the total space under construction was located in Prague and the Central Bohemian Region, followed by the Karlovy Vary Region with a 24% share.

The share of speculative construction increased quarter-on-quarter to 38%. In Q2 2025, construction started on approximately 269,600 sq m of modern industrial space, 58% of which was on a speculative basis.

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In addition, there are around 556,800 sq m of space currently in shell & core stage, awaiting completion once a tenant is secured.

INDUSTRIAL TAKE-UP

Gross take-up (including renegotiations) reached 304,900 sq m in Q2 2025. This represents a 41% decline compared to the previous quarter and a 35% year-on-year decrease. The share of renegotiations within total gross take-up dropped to 44% compared to the previous quarter (62 %).

Net take-up in Q2 2025 amounted to 169,600 sq m, reflecting a 13% quarter-on-quarter decline and a 47% drop year-on-year.

The largest new lease transaction of the quarter was signed in park P3 Lovosice Cargo, where logistics provider Yusen Logistics leased 43,500 sq m. The second largest new lease was signed in CTPark Prague North by an undisclosed distribution company, covering 31,000 sq m. The third largest transaction was a renegotiation in CTPark Modřice, where manufacturing company IFE-CR renewed its lease for a total of 25,900 sq m.

VACANCY

At the end of the Q2 of 2025, the vacancy rate in the Czech Republic stood at 4.0%, representing a year-on-year increase of 127 basis points. As of the end of June 2025, there were nearly 511,800 sq m of modern industrial space available for immediate occupancy. Vacancy in Prague and the Central Bohemian Region has consistently remained below the national average, reaching 2.8% at the end of Q2 2025.

RENT

Prime headline rents remained stable at the level of around €7.00 - €7.50 sq m/month in the Czech Republic in Q2 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.

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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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