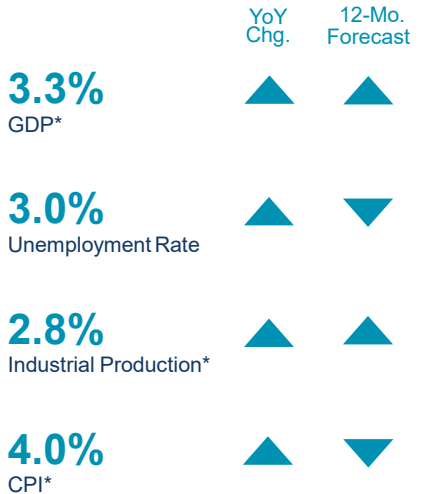


Overall, All Property Classes

### ECONOMIC INDICATORS Q3 2021



\*Annual growth forecasts  
Source: Moody's Analytics

### ECONOMY: Domestic recovery and supply-chain issues push inflation up

After a record-breaking contraction that continued into the spring, the Czech economy is set to return to its pre-pandemic levels by the end of this year. The resulting economic rebound will be driven by consumption, especially a recovery in the consumption of services and a rebound in fixed investment that has remained depressed throughout the pandemic. Domestic factors and global supply-chain problems pushed inflation above 3%, which prompted the central bank to raise its policy rates twice, and more hikes are coming this year. High dependence on the automotive sector places Czech manufacturing in the eye of the semiconductor-shortage storm. The issue already affects industrial production numbers in the Czech Republic, but we expect it will be limited in time and scope, fading in tandem with the pandemic.

### SUPPLY AND DEMAND: High demand driving unprecedented rental growth and warehouse development

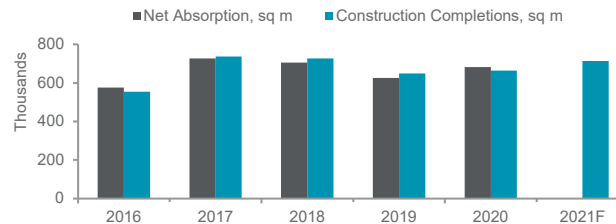
After a decline in the last 12 months, the new industrial supply was again at the 5-Y average level. 170,000 sq m were delivered to the market within 12 industrial parks across the Czech Republic in Q3 2021. Additional 360,000 sq m should be completed by the end of the year, 85% of which is already pre-leased. A total of 897,000 sq m of industrial space was under construction at the end of September, a new record of the Czech industrial market. Developers are most active in the Olomouc, Moravian-Silesian, and South Moravian regions.

Net take-up reached 390,700 sq m in Q3 2021, representing a 1% increase compared to the last quarter. However, Amazon's pre-lease in Kojetín accounted for more than 40% of this volume. The share of pre-leases increased to 60%.

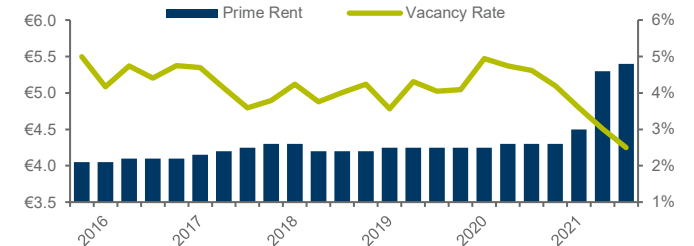
### PRICING: Rental rates growth continues

Rental rates growth continues in all regions, but it is the most striking around Prague, where available warehouses and development opportunities remain scarce. Prime headline rents have increased to €5.40 sq m/month in the Greater Prague area during the third quarter of 2021, which means a 25% y-o-y growth.

### SPACE DEMAND / DELIVERIES



### OVERALL VACANCY & PRIMERENT



## MARKET STATISTICS

SUBMARKET	STOCK (SQ M)	AVAILABILITY (SQ M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ M)	YTD TAKE-UP (SQ M)	YTD COMPLETIONS (SQ M)	UNDER CNSTR (SQ M)	PRIME RENT (€/SQ M/MONTH)
Prague	3,333,200	51,100	1.5%	73,600	358,600	79,400	87,900	€ 5.40
Pilsen	1,455,900	43,600	3.0%	25,200	240,400	17,500	-	€ 4.50
Brno (South Moravia)	1,170,400	13,500	1.2%	28,100	308,600	17,900	9,300	€ 4.40
Ostrava (Moravia-Silesia)	852,600	46,200	5.4%	19,300	151,500	19,800	221,700	€ 4.20
Central Bohemia	628,300	7,500	1.2%	14,700	72,200	11,000	101,700	
Ústí nad Labem	617,200	28,400	4.6%	66,000	129,300	-	-	
Liberec	317,100	-	0%	-	-	58,500	166,800	
Olomouc	287,600	18,800	6.6%	196,700	294,100	-	13,000	
Karlovy Vary	222,800	-	0%	33,800	156,600	8,600	-	
Pardubice	197,700	-	0%	2,000	2,000	113,200	82,700	
Hradec Králové	168,400	-	0%	10,400	52,000	-	81,800	
Jihlava (Vysočina)	162,200	-	0%	1,800	1,800	-	26,900	
České Budějovice (South Bohemia)	51,800	-	0%	-	-	15,700	105,400	
Zlín	18,400	-	0%	-	-	1,700	-	
<b>CZECH REPUBLIC TOTALS</b>	<b>9,483,600</b>	<b>209,100</b>	<b>2.2%</b>	<b>471,600</b>	<b>1,767,100</b>	<b>343,300</b>	<b>897,300</b>	<b>€ 5.40</b>

## KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT	SIZE (SQ M)	TYPE
Panattoni Park Kojetín	Olomouc	Amazon	186,700	Pre-lease
Euroform Trmice	Ústí nad Labem	Black & Decker	33,300	Renegotiation
CTPark Cheb	Karlovy Vary	DHL	22,800	Pre-lease

## KEY CONSTRUCTION COMPLETIONS Q3 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ M)	OWNER/DEVELOPER
CTPark Bor	Pilsen	Confidential	62,100	CTP Invest
Prologis Park Prague-Úžice	Prague	Confidential	21,400	Prologis
Panattoni Park Střibro	Pilsen	Confidential	16,300	Panattoni

Source: Industrial Research Forum

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