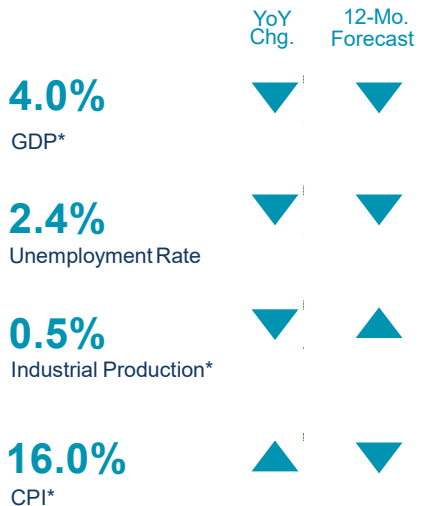


Overall, All Property Classes

ECONOMIC INDICATORS Q2 2022



*Annual growth forecasts
Source: Moody's Analytics

ECONOMY: Recovery of the Czech economy continues, with high inflation and growing interest rates

The Czech economy grew in the first quarter, but the drag from last summer persists, and the output level remains below the pre-pandemic peak. Czechia's economy is tied to the auto sector, which is currently experiencing a slowdown in production owing to the global supply crunch and issues in logistics worldwide. Despite the problems of industrial production, the unemployment rate is holding steady and is retreating further after an increase in the first quarter. Inflation breached the single digits in the first quarter, coming in at 14.6% year over year in June. Energy was the most significant contributor to the high inflation rate. After holding out in March and April, the central bank again tightened its monetary belt by increasing the policy rate to 5.75% in May and 7.00% in June.

SUPPLY AND DEMAND: A-class industrial stock exceeds the 10 million sq m mark

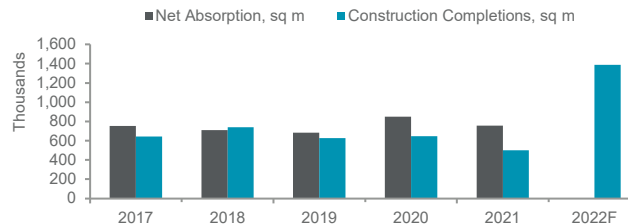
With over 146,600 sq m delivered to the market in Q2 2022, the modern industrial stock reached more than 10 million sq m. Considering that more than 900,000 sq m are planned to be delivered by the end of 2022, we expect a record of new industrial space completed in one calendar year to be reached. In Q2 2022, over 1.2 million sq m were under construction. Almost half of this space is situated in Olomouc, Pilsen and Moravia-Silesia. The share of speculative industrial space under construction stays low at only 33%.

Net take-up in Q2 2022 presented another record with almost 520,000 sq m leased, accounting for 79% of the total space leased in this quarter. It is primarily because of one pre-lease in Cheb by an undisclosed company, which accounted for 45% of total net volume. Pre-leases represented over 52% of the gross demand.

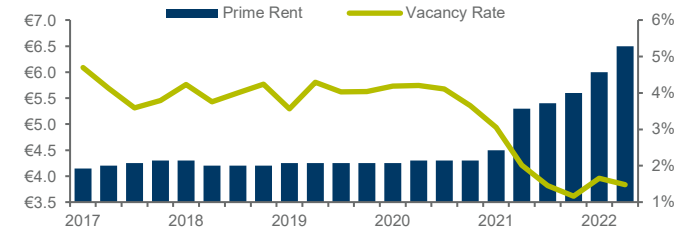
PRICING: Rental growth continues across the country

As the available space continues to be scarce while the demand is reaching unprecedented highs, the prime headline rents also continue to grow across the country. The most significant increase occurred in the South Moravian (10% q-o-q) and the Greater Prague (8% q-o-q) regions, where the prime headline rents increased to €5.50/sq m/month and €6.50/sq m/month, respectively. Further growth might be expected with the lowest vacancy rate recorded in history (1.5%).

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	3,416,200	14,300	0.4%	172,000	495,100	54,000	38,300	€ 6.50
Pilsen	1,578,900	55,500	3.5%	39,800	166,800	62,000	198,500	€ 4.90
Brno (South Moravia)	1,239,100	4,900	0.4%	51,300	130,600	31,100	158,200	€ 5.50
Ostrava (Moravia-Silesia)	933,300	10,800	1.2%	71,100	126,300	113,500	190,500	€ 4.50
Central Bohemia	726,200	15,800	2.2%	31,400	49,600	55,700	93,400	
Ústí nad Labem	640,800	300	0.0%	18,300	52,500	5,300	122,100	
Liberec	319,600	0	0.0%	0	5,300	0	66,000	
Olomouc	353,800	36,300	10.3%	9,500	19,700	56,200	238,900	
Karlovy Vary	292,800	8,500	2.9%	233,700	233,700	43,700	78,200	
Pardubice	210,700	0	0.0%	2,000	39,300	0	2,500	
Hradec Králové	186,000	0	0.0%	26,600	26,600	17,600	33,800	
Jihlava (Vysočina)	162,200	0	0.0%	3,800	35,000	0	26,900	
České Budějovice (South Bohemia)	61,500	2,400	3.9%	0	13,000	9,400	13,000	
Zlín	18,400	0	0.0%	0	10,500	0	10,500	
CZECH REPUBLIC TOTALS	10,139,500	148,800	1.5%	659,500	1,404,000	448,500	1,270,800	€ 6.50

KEY LEASE TRANSACTIONS Q2 2022

PROPERTY	SUBMARKET	TENANT	SIZE (SQ M)	TYPE
Panattoni Park Cheb	Karlovy Vary	Undisclosed	233,700	Pre-lease
Prologis Park Prague-Rudná	Prague	DB Schenker	58,600	New Lease
Segro Logistics Park Prague	Prague	Undisclosed	27,000	Renegotiation

KEY CONSTRUCTION COMPLETIONS Q2 2022

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ M)	OWNER/DEVELOPER
VGP Park Olomouc	Olomouc	Undisclosed	26,800	VGP
Contera Park Ostrava D1	Ostrava (Moravia-Silesia)	AT Computers	25,000	Contera
Ostrava Airport Multimodal Park	Ostrava (Moravia-Silesia)	ABB	13,500	Concens Investments

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