

CGL IM Financial Management Limited

Integrity, Collaboration and Commitment



## Economy on Track with Logistics Power Ahead

Czech Republic

Q1 2026

### Market Outlook

The Czech economy has gathered pace in Q3 2025, with GDP rising 2.8% y-o-y and 0.8% q-o-q as growth broadened across domestic demand, investment, and trade. Private consumption remained the primary engine, supported by strong real wage growth and tight labor market, while public consumption added further support. Investment activity expanded 1.7% y-o-y, led by construction and EU funded public projects, offsetting continued weakness in transport equipment and machinery. The external sector turned marginally positive as exports rebounded, particularly in services, tourism, and transport, although net exports are expected to remain a mild drag in 2025 amid robust import growth. Headline inflation cooled to 2.1% in November and is forecast to remain within the central bank's target range of 2.5% for the full year. Looking ahead, the economy is set for steady expansion, driven by resilient consumption and accelerating public and private investment, with GDP growth projected at around 2.4% in 2025 and 2.0%–2.5% in 2026 as external demand gradually recovers.

The Czech logistics sector in Q3 2025 delivered a standout performance, characterized by record-breaking leasing activity and resilient investment flows. Total year-to-date take-up surged 49% to 1.42 million sqm, fueled by a resurgence in manufacturing demand which captured half of the quarterly volume. Vacancy held broadly stable at 3.99% q-o-q even as supply expanded, with completions at 130,800 sqm in Q3 and 475,500 sqm YTD (+20% y-o-y), lifting stock to 12.86 million sqm. Stable prime rents of up to €7.50/sqm/month in Greater Prague. With year-to-date investment volumes hitting €2.54 billion and a robust pipeline of deals, the market is on track to achieve one of its highest annual turnovers in a decade, solidifying its position as a premier CEE destination. Looking ahead, the market is poised for a strong finish in 2025, with rents stabilizing amidst improving economic conditions, while demand and investment sustain steady momentum into 2026...

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