Growth Firms as Logistics Keeps Advancing

Czech Republic

Q2 2026

Market Outlook

The Czech economy ended 2025 on a stronger footing, with GDP rising 2.6% y-o-y and 0.7% q-o-q in Q4, as domestic demand strengthened and the external sector turned mildly positive. Czech has closed 2025 with GDP growth of 2.6%, up from 1.3% in 2024. Private consumption has remained the main engine of growth, rising by 3.2% y-o-y in Q4, supported by firm real wage gains, improving household incomes, and a still-tight labour market, while public consumption and fixed investment have added further impetus. Headline inflation has continued to ease, reaching 2.2% in Q4 and averaging 2.5% in 2025, falling further to 1.4% in February 2026 on lower energy and food prices, although services inflation and housing-related costs remained elevated. Looking ahead, GDP growth is projected at 2.2% to 2.6% in 2026 and 2.5% to 2.7% in 2027, driven by robust private consumption, easing financing conditions, increased public investment backed by EU funds, and a gradual recovery in external demand.

Czechia's logistics market ended 2025 with a strong combination of record investment, solid occupier demand, and sustained market expansion. Take-up reached 642,000 sqm in Q4, up 47% y-o-y, lifting the annual total to around 2.1 million sqm, with net take-up accounting for 58% of annual volume. New completions totaled 813,000 sqm in 2025, up 25% y-o-y, pushing modern stock to 13.23 million sqm, while vacancy remained contained at 4.8% despite the increased supply. Prime rents held firm in Prague and other core hubs, despite a slight adjustment in secondary markets with heavier new supply. On the investment side, Czechia stood as the most active market in CEE in 2025, with logistics drawing about €800 million. Into 2026, the sector is expected to sustain an upward trend, boosted by nearshoring demand and the broader economic recovery…