

Logistics: demand recovering, vacancy rate declining

Author: SF / pb | Published: 26.10.2010

Vacancy rate of modern logistics and industrial real estate declined significantly in the Czech Republic in the third quarter. After the culmination of vacant storage space in the third quarter of 2009, when the vacancy rate reached more than 18 %, it gradually fell below 12 %. According to the international consultancy DTZ, roughly 409,000 m² of modern storage space are currently waiting for their tenants. The highest fall in vacancy rate was recorded in western Bohemia near Pilsen where it decreased year-on-year from 20 % to 10 % and in Moravian-Silesian region with a decline from 31 % to 21 %. However, the second highest vacancy rate remains in the Ostrava region, after central Moravia. The vacancy rate fell from 17 % to 14 % near Prague.

In the Czech Republic, the total amount of warehouse and manufacturing properties grew to a 3.43 million sqm in the third quarter of 2010. From July to the end of September 74,000 sqm of newly completed warehouses were built - e.g. Logistics Park Lovosice (42,000 m²) by the developer HB Reavis, which is fully rented by ČD Cargo or the building 13.2 (28,400 m²) in CTPark Ostrava. Approximately 93,000 m² of modern storage space are currently under construction.

“The highest total demand was realized in Greater Prague, however, 62 % accounted for renegotiations of the existing lease contracts. On the other hand, western Bohemia and the Pilsen region recorded the highest volume of new lease contracts - with a share of 32 %, for the second consecutive quarter. The tenants were mainly attracted to the Pilsen region by advantageous lease conditions,” comments Lenka Šindelářová, analyst at DTZ.

The nominal rent rate in Prague remained stable at EUR 3.60 - 4.30 per sqm per month, the lease ranged between EUR 3.60 - 4.25 in the regions. Decrease in available space in western Bohemia resulted in a slight rent increase. After rent dropped to EUR 3.20 last year, it now ranges from EUR 3.60 to 4.00 per sqm. Lessors continue to offer tenants attractive incentives in the areas with higher vacancy rate. DTZ expects the highest reached rent to grow again in 2011.

26.10.2010 09:44, SF / pb