



MARKET FUNDAMENTALS

	YOY Chg.	12-Month Forecast
4.34% Vacancy Rate	▲	▬
€5.35 Prime Rent, sq m/month	▲	▲
6.00% Prime Yield <i>(class A stock only)</i>	▼	▬

ECONOMIC INDICATORS

	YOY Chg.	12-Month Forecast
2.1% GDP Growth Q3	▲	▲
3.8% Unemployment Rate December	▼	▼
2.5% Industrial Production	▼	▲
2.9% Inflation December	▼	▲

Source: Moody's Analytics, Slovakia Statistical Office

ECONOMY: REAL WAGE AND CONSUMER SPENDING GROWTH

The European Central Bank reduced the main interest rate by 135 basis points over the past year to 3.15% as inflation in the Eurozone stabilized near the 2% target. In contrast, Slovakia's inflation remained at 2.9 % in December and averaged 2.8% for 2024, with 2025 inflation projected at 4.1% (NBS). GDP grew by 2.1% in Q3 2024 and is expected to reach 2.3% in 2025, though growth remains limited by the dependence on Germany's economy, which is stagnating. Therefore, industrial production showed only a slight growth of 0.1% in November. The labour market remains stable, with unemployment gradually declining to 3.8%, boosting real wages by 13% since 2020 which translated into a 4% rise in consumer spending in 2024.

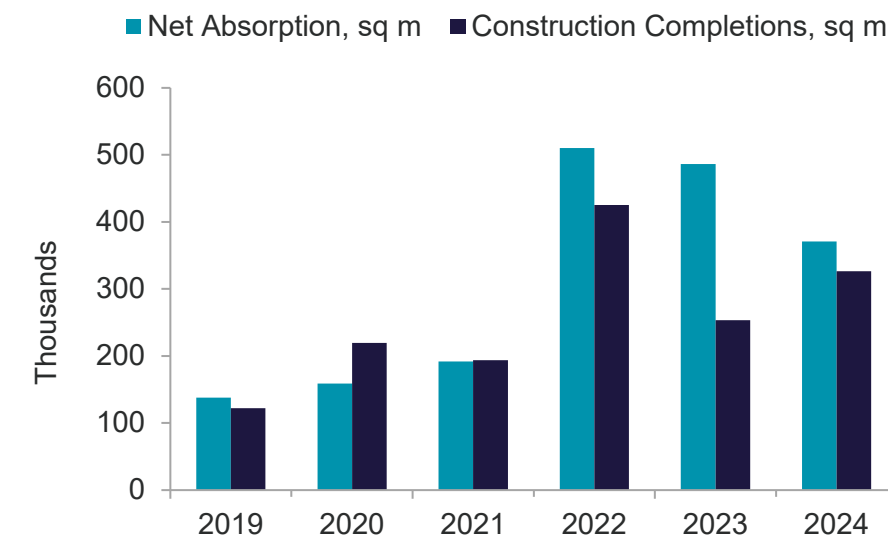
SUPPLY & DEMAND: DEMAND SURGED BY YEAR-END WITH THE LARGEST DEAL IN 8 YEARS

Q4 2024 emerged as the strongest quarter of the year, as anticipated, with several transactions timed for completion by year-end. The weaker performance in the first half of the year was offset by a robust second half, signaling a market recovery. Gross take-up reached 211,800 sqm in Q4, the highest quarterly figure for 2024, while net take-up amounted to 144,100 sqm. E-commerce and automotive sectors dominated take-up, followed by light manufacturing. Total take-up for 2024 reached nearly 600,000 sqm, representing only a 6% decline compared to 2023. The largest deal in the past eight years was also concluded during Q4, with Alza consolidating multiple warehouses into a single 65,000 sqm facility in Bernolákovo. Despite strong demand, vacancy rates remained stable at 4.34% due to renegotiations and limited new supply. Only three new buildings, totaling 21,000 sqm, were added in Q4. However, several larger projects are set to be delivered in the first half of 2025. Currently, 289,300 sqm is under construction in 15 projects, with 60% being speculative development. Developers are leveraging market potential, particularly in regions with low vacancy rates such as Trenčín, Bernolákovo, and Eastern Slovakia.

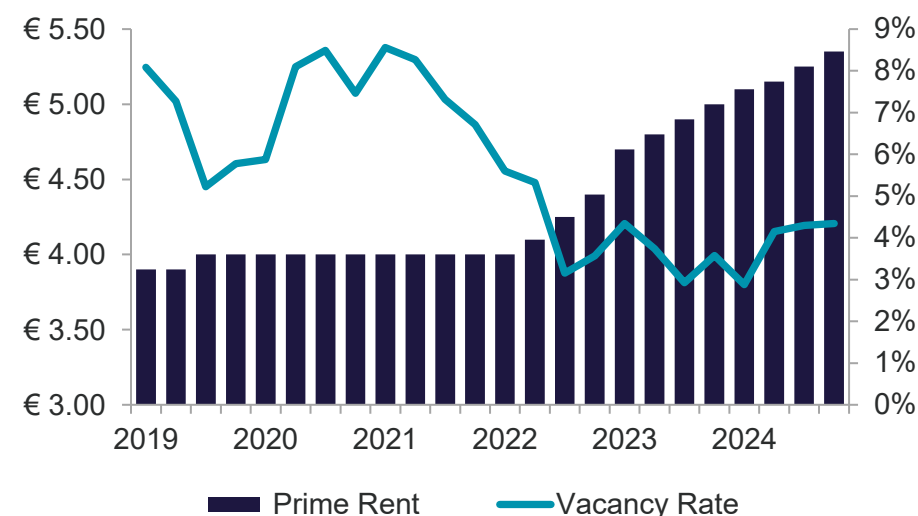
PRICING: MAJOR COMPANY ENTRIES TO SLOVAK MARKET

In Q4 2024, prime rents continued their upward trajectory, increasing to €5.35/sqm/mth (+€0.10 Q-o-Q). Further gradual growth is anticipated this year, driven by strong demand. While clients are cost-sensitive and rental prices are still an important criterion, ESG factors are gaining attention. However, the decision to opt for newer buildings often depends on location and circumstances rather than solely on building standards. The industrial segment's attractiveness was reflected in several investment transactions during 2024 and a 25 bps decline in prime yields to 6.00%. New companies entered the Slovak market in the past year, including DeJong, BRD Thermea, Jiangsu and Biedronka. Additionally, many foreign clients, particularly automotive suppliers, are considering Central and Eastern Europe, including Slovakia, as a competitive and cost-effective location compared to Western Europe, Czech Republic or Hungary.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & PRIME RENT



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)
Bratislava region	1,805,800	71,900	4.0%	147,100	300,000	91,500	137,200	€ 5.35
Trnava region	1,075,300	57,000	5.3%	5,400	57,200	119,500	88,000	€ 5.15
Zilina region	451,600	38,600	8.6%	3,100	48,500	56,000	9,900	€ 5.30
Trencin region	436,300	16,500	3.8%	4,600	43,200	0	21,200	€ 5.20
Nitra region	229,800	6,500	2.9%	12,400	15,000	8,900	0	€ 5.15
Kosice region	210,200	0	0.0%	0	19,100	0	0	€ 5.30
Presov region	154,800	0	0.0%	37,100	99,100	42,400	17,800	€ 5.30
Banska Bystrica region	29,000	0	0.0%	2,100	7,600	8,000	15,300	€ 5.20
SLOVAKIA TOTALS	4,392,900	190,700	4.3%	211,800	589,800	326,500	289,300	€ 5.35

KEY LEASE TRANSACTIONS Q4 2024

PROPERTY	REGION	SECTOR	SIZE (SQ M)	TYPE
Mountpark Bratislava	Bratislava	E-commerce	65,400	pre-lease
P3 Bratislava	Bratislava	Automotive	42,500	renegotiation
Ferovopark	Presov	Manufacturing	30,500	new lease
P3 Senec	Bratislava	Retail	17,900	renegotiation
Garbe Senec	Bratislava	Retail	10,900	pre-lease

KEY CONSTRUCTION COMPLETIONS 2024

PROPERTY	REGION	SIZE (SQ M)	PRE-LEASE	OWNER/DEVELOPER
SLI Park Sered'	Trnava	43,200	0%	SLI Park
VGP Park Triblavina	Bratislava	40,000	100%	VGP
CTPark Voderady	Trnava	36,000	100%	CTP
Ferovopark	Presov	31,000	100%	SISBAN HOLDING
Panattoni Park Bratislava North	Bratislava	24,700	77%	Panattoni
Prologis Park Bratislava	Bratislava	23,300	69%	Prologis
CTPark Zilina Airport	Zilina	20,000	43%	CTP

Source: Cushman & Wakefield

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