MARKETBEAT
SLOVAKIA
INVESTMENT Q2 2025

MARKET FUNDAMENTALS

	YOY Chg.	12-Month Forecast
6.00% Prime Yield IND	▼	—
€536M* H1 2025 Volume	▲	▲
+46 % YTD Volume change compared to 3-year average	▲	▲

Excluding transfers within the same ownership group

ECONOMIC INDICATORS

	YOY Chg.	12-Month Forecast
0.9% GDP growth Q1 2025	▼	▲
3.8% Unemployment rate June	▼	▼
2.1% 5-Yr EUR Swap	▼	—
3.4% 10-Yr Slovakia Government Bond	▼	—

Sources: Moody's Analytics, Slovakia Statistical Office

ECONOMY: INTEREST RATES DECLINE, INFLATION REMAINS ELEVATED

Inflation in Slovakia reached 4.30% in June, marking the highest level in the past 17 months. The strongest upward pressure came from food and services, partly due to the real impact of the transaction tax. Higher inflation is set to dampen real wage growth in 2025 (with an increase of just 1.10% according to the Ministry of Finance). Rising prices are also reflected in retail turnovers, which declined by 1.30% cumulatively over the first 5 months of the year, as consumers remain cautious and increasingly price-sensitive.

A slowdown in inflation is expected in the autumn; however, it will likely remain around 4.00%, significantly above the Eurozone's inflation rate, which is closer to the ECB's 2.00% target. To support economic growth and ease financial conditions, the European Central Bank further lowered its key interest rate to 2.15%. Unemployment stays near its historical minimum, while the number of employed people is gradually declining, partly as a result of demographic factors.

INVESTMENT OVERVIEW: HEIGHTENED INVESTMENT ACTIVITY

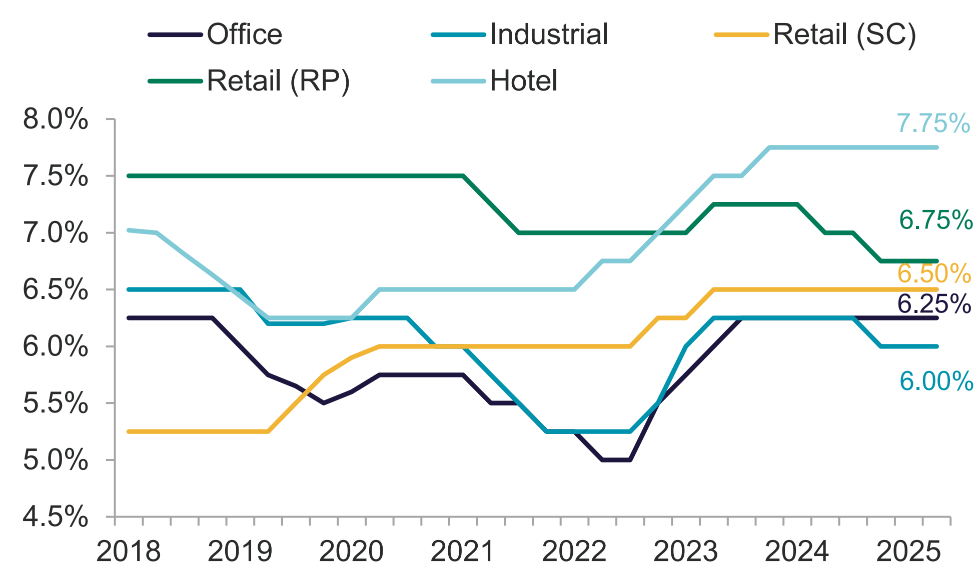
The Slovak commercial real estate market experienced a record-breaking first half of 2025, with investment volumes reaching €536 millions. This figure surpasses the total volume recorded in the entire year of 2024, indicating a renewed level of investor confidence and notable increase in transactional activity. Forecasted total annual volume could range between €800 million and €1 billion. The continued decrease in interest rates and more favorable bank financing conditions are further supporting investor appetite and improving yield metrics.

Industrial and logistics assets were the most actively traded, accounting for 57% of total volume. Retail assets followed with a 34% share, and office contributed 7%.

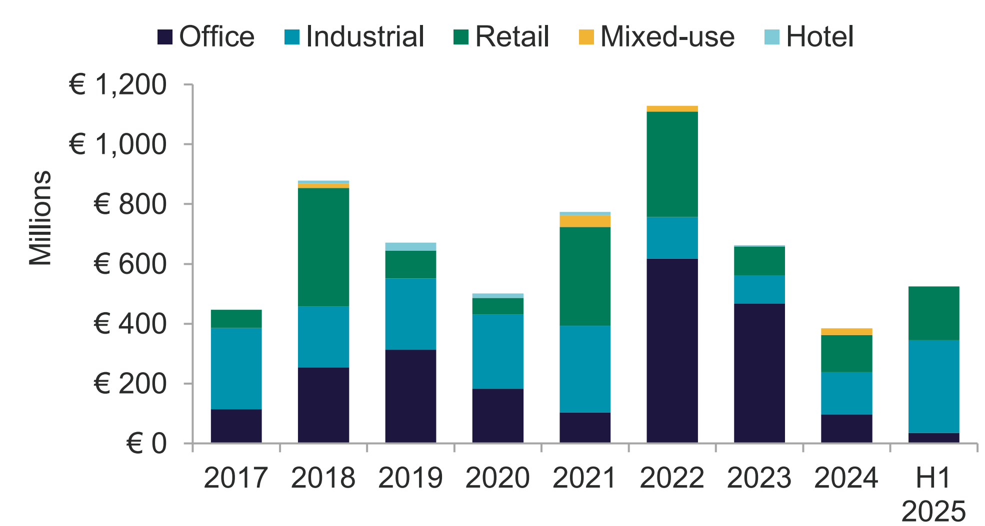
The most significant transactions in H1 were the acquisition of Contera/TPG industrial portfolio purchased by Blackstone and transaction of 5 Tesco Galleries throughout Slovakia as sale & leaseback, e.g. Tesco stays as a long-term tenant in those buildings. Notable transactions are also the disposal of industrial building in highest standard in Senec sold by DSV, also as sale & leaseback, and the transaction of shopping centre VIVO in Bratislava together with 2 adjacent office buildings bought by Wood & Company.

Central European investors, particularly local investment funds, contributed 53% of over half-billion-euro total. The remaining 47% came from foreign institutional capital.

PRIME YIELDS



INVESTMENT SALES VOLUME BY SECTOR



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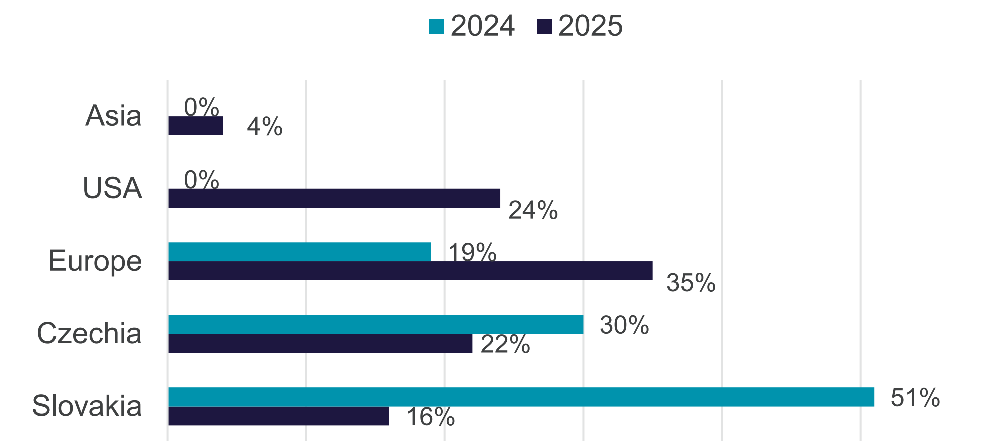
INVESTMENT ACTIVITY 2025

PROPERTY TYPE	YTD NO. OF TRANSACTIONS	YTD SALES VOLUME (€ MILLION)	PRIME RENT (SQ M/MTH) / REVPAR (PER ROOM)		PRICE / SQM	PRIME YIELD
Office	2	35		€ 20.50	€ 3,300 – 3,700	6.25%
Industrial	7	310		€ 5.50	€ 900 – ,000	6.00%
Retail	4	180	Shopping Centre	€ 65.00	€ 3,500 – 7,000	6.50%
			Retail Park	€ 12.00	€ 1,600 – 2,000	6.75%
Mixed-use	0	0		n/a		n/a
Residential	2	11		n/a		n/a
Hotel	0	0		€ 79.00		7.75%
TOTAL	**15**	**536**				

ACQUISITIONS BY CAPITAL SOURCE COUNTRY



MAJOR INVESTMENT DEALS 2025*

PROPERTY NAME	TYPE	BUYER	SELLER	SIZE (SQ M)	MARKET
Contera Portfolio	Industrial	Blackstone	Contera / TPG	126,800	Multi-city
VIVO + Myhive Towers	Mixed-use	Wood & Company	Immofinanz	77,200	Bratislava
Tesco Galleries Portfolio	Retail	Adventum Group	Tesco	94,400	Multi-city
DSV Senec	Industrial	REICO	DSV	69,600	Senec
OBI Portfolio	Retail	Lindner Group	Slate Asset Management	25,000	Multi-city
Logicor Nove Mesto	Industrial	P3	Logicor	25,000	Trencin

Source: Cushman & Wakefield **Selected closed transactions over € 10 million*

SIGNIFICANT SALES

ECONOMIC INDICATORS*	2020	2021	2022	2023	2024	2025F	2026F
GDP Growth	-3.3%	4.8%	1.9%	1.4%	2.1%	0.0%	1.0%
Private Consumption Expenditure	1.1%	2.4%	5.1%	-5.6%	4.3%	-2.9%	-0.9%
Inflation (HICP index)	2.0%	2.9%	12.1%	11.0%	3.2%	4.1%	2.8%
5-YR EUR Swap	-0.6%	-0.4%	1.5%	2.9%	2.4%	2.1%	2.1%
Interest Rates: 10-YR Bond Yield (%)	0.0%	-0.1%	2.1%	3.7%	3.5%	3.5%	3.5%

Source: Moody's Analytics ** Annual % growth unless otherwise indicated*

LUKÁŠ BRATH
Senior Research Analyst, Slovakia
Tel: +421 904 325 358
lukas.brath@cushwake.com

RUDOLF NEMEC
Head of Capital Markets, Slovakia
Tel: +421 905 459 115
rudolf.nemec@cushwake.com

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