

MARKETBEAT

CENTRAL EUROPE

Industrial Q4 2020



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Czech Republic

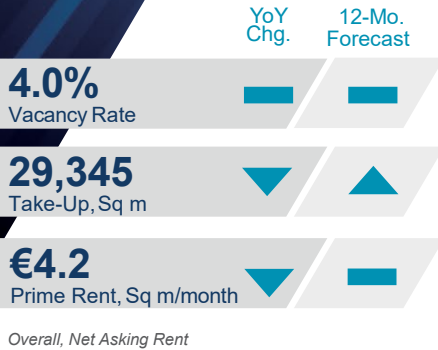
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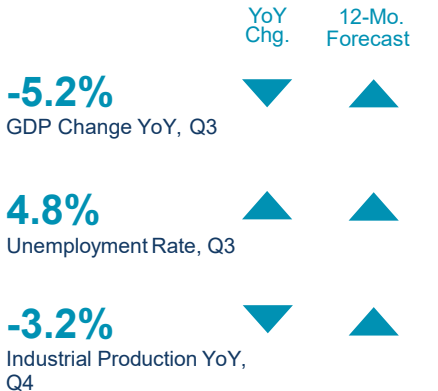
Romania

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ECONOMIC INDICATORS 2020



Source: National Statistical Institute, Moody's

ECONOMY: GDP continues to decrease

The Bulgarian industrial production continued to fall in the last quarter of 2020, despite the tentative signs of recovery of the European economy. Reduced consumption has had a negative effect on the manufacturing sector, while logistics operations remained in an upward trend thanks to e-commerce. The overall economic environment is challenging, with GDP falling by 5.2% in the third quarter year-over-year and expected to stay in negative territory by the end of the year. However, the sustained return to growth will depend to a large extent of the recovery of the leading EU economies, which are the main trading partners of Bulgaria.

SUPPLY AND DEMAND: Sustainable demand for logistics space

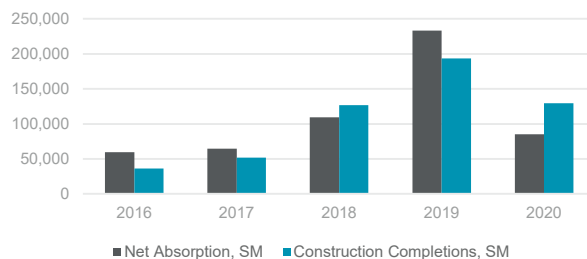
The completion of 43,930 sqm production and logistics space provided significant input to the industrial market stock in Sofia in the last quarter of 2020. The new supply includes built-to-suit and speculative parts of three large projects – Industrial Park Sofia East, Retail Park Vladimir Vazov and the logistics park of RGS Invest in Bozhurishte, as well as extensions of owner-occupied premises. With the new completions, the modern industrial stock in Sofia reached almost 1.4 mln sqm, of which about one quarter is speculative space. Another 298,560 sqm are under construction, predominantly built-to-suit and space for owner occupation.

The last quarter of 2020 enjoyed a relatively active leasing market with 29,345 sqm gross take up in Sofia. The largest deal was signed as a sale-leaseback between the logistics company DSV Road and the real estate developer CTP. The transaction is for a logistics property with 11,600 sqm built-up area in the airport zone. This is the first investment acquisition of CTP in Bulgaria, along with some deals for land plots. In general, logistics, retail and distribution companies remain the major driver of the Sofia industrial property market. Although the increasing supply of rentable space led to a slight increase of the vacancy in the end of 2020, the rate remains in a healthy zone below 5% with limited prospect for further increase.

PRICING: Rents are relatively stable

The healthy demand and slightly increasing supply of logistics space kept the rents in Sofia stable, with prime rates in the range of 4.2-4.4 euro/sqm for mid-sized units. Larger premises, above 10,000 sqm, are expected to be let on slightly below 4 euro/sqm. This supply is usually located in the industrial zones in the Sofia surroundings. Yields also remain stable, currently at 8-8.25% for prime logistics space in the capital.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKETBEAT BULGARIA

Industrial Q4 2020

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MARKET STATISTICS

SUBMARKET	INVENTORY (SM)	AVAILABILITY (SM)	OVERALL VACANCY RATE	CURRENT QTR TAKE-UP (SM)	YTD TAKE-UP (SM)	UNDER CNSTR (SM)	PRIME RENT	PRIME YIELD
Sofia	1,398,509	55,728	4.0%	29,345	95,459	298,559	€4.2	8.25%
TOTAL	1,398,509	55,728	4.0%	29,345	95,459	298,559	€4.2	8.25%

*Rental rates reflect weighted net asking € SQM/Month

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	RSM	TYPE
DSV Road Logistics	Sofia	DSV Road	11,600	Sale-leaseback

KEY CONSTRUCTION COMPLETIONS Q4 2020

PROPERTY	SUBMARKET	MAJOR OCCUPIER	SM	OWNER/DEVELOPER
Industrial Park Sofia East – built-to-suit	Sofia	Ozone.bg	4,345	Park Industria – Sofia Iztok
RGS Invest – Phase 1	Sofia	JYSK	14,088	RGS Invest

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	YoY Chg.	12-Mo. Forecast
4.2% Vacancy Rate	▲	▲
€4.30 Prime Rent, Sq m/month	▲	▲
4.50% Prime Yield	▼	▼

Overall, All Property Classes

ECONOMIC INDICATORS Q4 2020

	YoY Chg.	12-Mo. Forecast
-6.9% GDP*0	▼	▲
4.0% Unemployment Rate	▲	▲
0.6% Industrial Production*	▲	▲
2.7% CPI*	▼	▼

*Annual growth forecasts
Source: Moody's Analytics, Czech Ministry of Labour and Social Affairs

ECONOMY: GDP level of 2019 could be reached end of 2021

While the Czech GDP should fall by 6.2% in 2020, rebound in 2021 is expected to be slower, with GDP growth currently estimated to 4.1%, followed by stronger 2022 reaching 6.8% growth. The unemployment rate rose to 4.0% at the end of 2020 compared to 2.9% at the end of 2019. The Czech crown could start to strengthen again, which may place greater demands on Czech export companies' competitiveness.

The Czech industry was temporarily deflected by the second lockdown, which began in mid-October and ended in early December. The industrial production index shows that it was far from the drop recorded in spring when the industry fell by about a third compared to the same period last year. In the autumn, the annual decline was just 2%. Preliminary data for Q4 shows that the export of goods across all categories was successful, with machinery and transport equipment, manufactured goods, and chemicals contributing the most.

SUPPLY AND DEMAND: Lack of supply persists in the most attractive locations, mainly in Prague

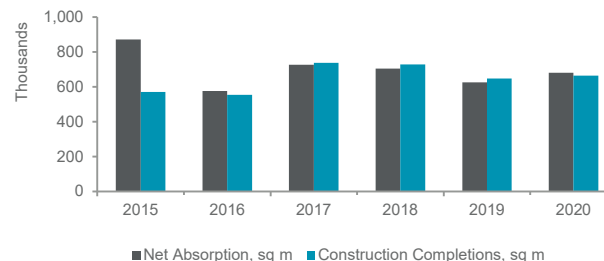
The volume of newly completed projects in the last quarter of 2020 was the lowest since Q3 2016 when developers finished 106,000 sq m in 9 industrial parks. Nevertheless, the total new supply reached 664,000 sq m in 2020, which is 2% more than in the previous year. Next year could be at least as successful if the developers fulfil current plans, including some delayed projects from 2020, however, current uncertainty impacts the speculative construction.

While supply was going through a more modest period in Q4 2020, the demand was the highest in the eight-year monitoring history. In total, over 540,000 sq m were leased, of which only about a third were renegotiations. Nevertheless, gross take-up for the whole of 2020 was 6% lower than in 2019. The volume of short-term (up to 12 months) leases increased significantly, although these are not part of the overall figures.

PRICING: Upward pressure on rental growth in Prague and Brno

Despite the declining vacancy rate, prime rents remained stable in most regions. We can anticipate upward pressure on rental growth in Prague, Brno, and their surroundings, which are traditionally sought-after locations. The vacancy rate in the Greater Prague area remained at about 2% at the end of 2020.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & PRIMER RENT



MARKET STATISTICS

SUBMARKET	STOCK (SQ M)	AVAILABILITY (SQ M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ M)	YTD TAKE-UP (SQ M)	2020 COMPLETIONS (SQ M)	UNDER CNSTR (SQ M)	PRIME RENT (€/SQ M/MONTH)
Prague	3,253,662	1,156	2.2%	143,621	511,656	89,278	68,991	4.30
Pilsen	1,339,585	98,525	7.4%	116,902	357,492	129,009	94,430	4.20
Brno (South Moravia)	1,136,115	43,303	3.8%	60,055	153,283	45,743	48,515	4.00
Ostrava (Moravia-Silesia)	801,295	68,461	8.5%	91,490	123,102	159,850	64,031	3.95
Central Bohemia	617,197	14,512	2.4%	27,115	69,043	34,854	0	
Ústí nad Labem	567,914	67,243	11.8%	5,417	103,178	83,799	31,382	
Liberec	306,598	0	0.0%	52,850	69,047	1,800	8,574	
Olomouc	267,832	16,535	6.2%	13,135	24,110	29,069	8,205	
Karlovy Vary	222,824	0	0.0%	19,962	53,161	42,926	0	
Pardubice	197,728	0	0.0%	3,980	3,980	19,000	0	
Hradec Králové	68,361	0	0.0%	0	0	13,900	0	
Vysočina	157,809	1,755	1.1%	2,435	20,630	10,624	0	
České Budějovice (South Bohemia)	34,348	0	0.0%	3,266	20,766	0	17,500	
Zlín	16,680	0	0.0%	0	15,726	4,300	3,000	
CZECH REPUBLIC TOTALS	9,087,949	381,490	4.2%	540,228	1,525,174	664,152	344,628	4.30

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SIZE (SQ M)	TYPE
Contera park Ostrava D1	Ostrava	Confidential	74,000	Pre-lease
GLP Park Praha Chrástany	Prague	Confidential	36,000	Pre-lease
CTPark Bor	Pilsen	Confidential	30,300	Renegotiation + expansion

KEY CONSTRUCTION COMPLETIONS Q4 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ M)	OWNER/DEVELOPER
CTPark Ostrava	Ostrava	Hyundai Steel Czech	49,800	CTP Invest
Archan Park - Brandýs nad Labem	Prague	Confidential	14,600	Archan
Pilsen West Industrial Park	Pilsen	Faurecia Plzen	12,500	Demaco

Source: Industrial Research Forum

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	YoY Chg.	12-Mo. Forecast
2.0% Vacancy Rate	▲	▼
€4.90 Prime Rent, Sq m/month	▲	▲
6.75% Prime Yield	▼	▼

(Overall, All Property Classes, as at 31 December 2020)
Source: Cushman & Wakefield, Budapest Research Forum

ECONOMIC INDICATORS Q4 2020

	YoY Chg.	12-Mo. Forecast
-9.2% GDP real, LCU (F)	▼	▲
4.8% Unemployment Rate (F)	▲	▼
-6.2% Industrial Production Index (F)	▼	▲
2.5% CPI Index	▼	▼

Annual growth unless otherwise indicated
Source: Moody's, 3 February 2021

ECONOMY: Forecasted slow-down in decline of GDP growth, with bounce-back in 2021.

According to CSO figures, the Hungarian economy bounced back through GDP growth of 9% in Q3 2020 exceeding expectations and reflects the sharp recovery in industrial production following the spring lockdown. However, similarly to the rest of Europe, the second wave of COVID-19 has had a significant impact and further lockdown measures have been implemented. It is expected that this will lead to a fall again in Q4 and Moody's forecast that GDP will contract by 9.2% this year. Industrial production however recovered back to the level seen at the start of the year and rose by 3.7% y-o-y in November. Industrial confidence index improved by November with industrial exports showing a 2.4% increase compared to the same period in 2019. Hungary is expected to significantly benefit from the next generation EU recovery fund agreed in 2020 which will provide a stimulus to the Hungarian economy, equal to some 6.7% of GDP in the period of 2021-2025. GDP is forecast to growth 3.0% in 2021 and 4.4% in 2022.

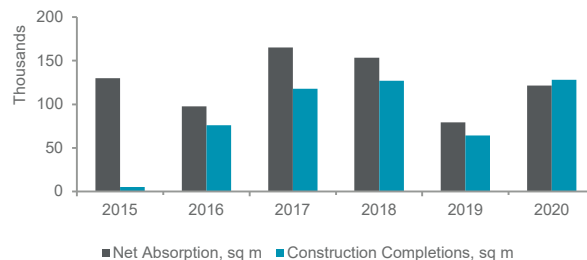
SUPPLY AND DEMAND: Record high demand with low vacancy.

The Budapest industrial and logistics market is characterised with record high demand levels and an apparent under-supply of modern space. Demand equalled 110,260 sq m in Q4 and 537,940 sq m in 2020 which marks a massive 29% increase y-o-y and the second highest volume on record. Net take-up was the driving force with 63% share of the total leasing activity, dominated by new relocation leases. The remaining 37% was made up of renewals, which is significantly below the average share of 55% registered in the period of 2016-2019, indicating that occupiers are in the process of upgrading into modern, newly built schemes. The market is predominantly driven by logistics but we have registered growing interest from CEP (courier, express and parcel) companies and e-fulfillment centres in response to the strong expansion of online sales seen in 2020. 23,800 sq m of new supply was delivered to the market through two schemes in Q4 and with this addition, the total new supply equalled 128,00 sq m and 10 new schemes in 2020. This is a significant improvement from the level of average new supply registered in the last 10 years. Vacancy rate decreased further to 2.0% by the year-end and net absorption amounted to 122,000 sq m.

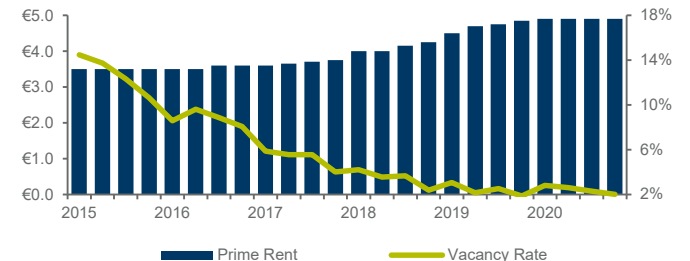
PRICING: Landlord favourable market

Rents and lease terms have remained firm with current headline BTS rents stand at Euro 4.90. This has attracted some newcomers to the market intending the delivery of new stock on speculative and BTS basis alike as continued low vacancy and reasonably stable demand levels are expected going forward.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & PRIME RENT



MARKETBEAT BUDAPEST

Industrial Q4 2020



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)
North	118 560	3 270	2.7%	0	3 690	0	0	€4.90
South	1 502 820	27 930	1.9%	60 030	335 270	45 960	72 840	€4.90
East	225 420	3 730	1.7%	24 170	121 130	39 640	123 890	€4.90
West	528 110	13 070	2.5%	26 050	77 840	41 950	64 800	€4.90
TOTAL BUDAPEST	2 374 900	48 000	2.0%	110 260	537 940	127 550	261 530	€4.90

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	TYPE	TENANT	SIZE (SQ M)	TYPE
CTPark Budapest East - ULL6	LP	Confidential	23 370	new
Prologis Park Budapest - Sziget	LP	Essentra Filter Products	15 940	Renewal
Euro-BusinessPark	LP	Confidential	13 050	new
Logicor Fehérakác	CL	Confidential	8 600	renewal
Prologis Park Budapest - Harbor	LP	DSV Solutions	8 580	new
Prologis Park Budapest - Harbor	LP	Europapier Budapest	6 760	renewal

KEY CONSTRUCTION COMPLETIONS 2020

PROPERTY	TYPE	MAJOR TENANT	SIZE (SQ M)	OWNER/DEVELOPER
CTPark West	LP	Confidential	31 300	CTP
CTPark South	LP	Confidential	22 800	CTP
East Gate Business Park	LP	Confidential	17 800	WING
Prologis Harbor DC11	LP	Fiege	13 500	Prologis

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6.8%

Vacancy Rate

YoY Chg.

12-Mo. Forecast



€3.80

Prime Rent, Sq m/month



5.40%

Prime Yield



ECONOMIC INDICATORS
Q4 2020

-4.64%

GDP

YoY Chg.

12-Mo. Forecast



5.96%

Unemployment Rate



4.34%

Industrial Production



2.88%

Retail Sales



Source: Moody's

DEMAND: Record demand for industrial space – total take-up reached almost 5 million sq m

In 2020, total demand for modern warehouse space reached a record level of almost 5 million sq m and increased by 24% year-on-year. New leases and expansions totaled 3.45 million sq m or 70% of total take-up. This high result of tenant activity was influenced both by the investment decisions made back in 2019 and early 2020, but also by the surge in e-commerce momentum caused by the restrictions on physical retail during the COVID-19 pandemic. Lease extensions made up the remaining 1.54 million sq m, which also demonstrates strong resilience of warehouse tenants in difficult economic conditions. Similarly, to previous year, two tenant sectors represented the largest share in demand structure: logistics & courier (34%) and retail (17%), driven by growing consumer demand especially for product categories such as FMCG, electronics/ home appliances and furniture. E-commerce companies also remained very active, letting nearly 500,000 sq m (10% of total take-up), but it is worth noting that this result does not reflect the total demand created by the whole e-commerce industry.

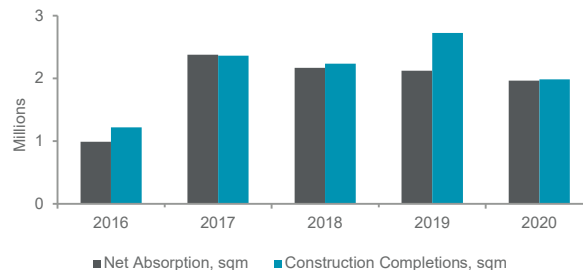
Companies from various industries (especially retailers) are intensively developing multichannel sales strategies, thus increasing the demand for logistics services and warehouse space of various types – logistics centres for domestic and cross-border distribution and projects dedicated to "last mile" logistics.

At the end of Q4 2020, about 1.42 million sq m was available for lease in the warehouse market, which accounted for 6.8% of the total supply in Poland. Strong demand growth in Q4 2020 and a relatively low level of new supply (296,000 sq m) compared to previous quarters contributed to a significant decline in vacancy levels by ca. 300,000 sq m. Lower availability of warehouse space and high levels of pre-lets in projects under construction may indicate a slight reduction in the scale of financial incentives offered to tenants in 2021, particularly in certain regions.

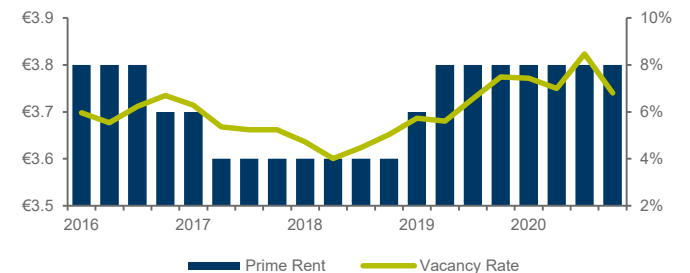
PRICING: No significant changes during 2020

Last year we did not observe significant changes in the level of warehouse rents, although a slight downward trend was visible in some markets due to the high level of supply and an increase in vacancy. Base rents range from €2.50-3.80/sq m/month for BIG-BOX facilities to €4.00-5.25/sq m/month for SBU (Small Business Units) facilities in urban areas in key markets. Financial incentives offered by developers typically range from 10-30% of the headline rent, depending on the lease terms. These consist of rent-free periods of one to two months for each year of the lease and a financial contribution for selected fit-out works or potential tenant relocation costs.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



SUPPLY: Development activity remains buoyant

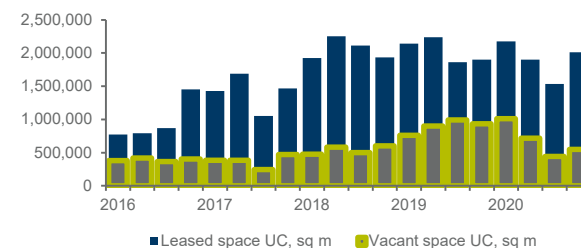
High demand is keeping development activity at a high level. In 2020, almost 2 million sq m were completed in the warehouse market to bring the total stock up to 20.7 million sq m (+11% y-o-y). Compared to the record-breaking 2019 new supply was down 27% (or 0.7 million sq m). Although there was a similar number of completed projects, a much lower volume of large projects (over 50,000 sq m) was noticeable. Last year, it amounted to 370,000 sq m, compared to 1 million sq m the year before, when new large developments for companies such as Amazon, Zalando, Leroy Merlin, Castorama and Carrefour were being finalised. By contrast, by the end of 2020 there was over 2 million sq m under construction, some 100,000 sq m more than a year earlier and almost 500,000 sq m more compared to the figure at the end of Q3 2020. Around 73% of the development volume has already been secured with pre-let agreements, an increase of 23 pp year-on-year and driven by high demand and a trend to reduce speculative investment due to higher market risk during the COVID-19 pandemic.

A number of new development projects are scheduled to start in 2021, including large ones such as Wrocław CAMPUS 39 (180,000 sq m, Lower Silesia), 7R Park Gdańsk-Port (123,000 sq m, Tricity), Hillwood Rokitno (110,000 sq m, Western Poland) and DL Invest Park Teresin (100,000 sq m, near Warsaw). Apart from warehouse parks offering larger warehouse modules (BIG-BOX) and BTS (build to suit) investments, developers are actively developing investments within the "last mile" logistics development trend, which is gaining momentum. A good example is Warsaw, where developers are building further projects of this type in the Okęcie, Żerań, Targówek Przemysłowy and Bielany areas. Other cities in Poland, such as Poznań, Wrocław, Łódź, Kraków, Gdańsk, Gdynia and Rzeszów, are also in the sights of developers. The standard of warehouse facilities is changing, offering convenient solutions for specific operations related to logistics under e-commerce or light production. The standard of new facilities is also strongly influenced by the ecological trend and automation. Developers and tenants are increasingly willing to invest in IT technologies, industrial automation, renewable energy and friendly working environment.

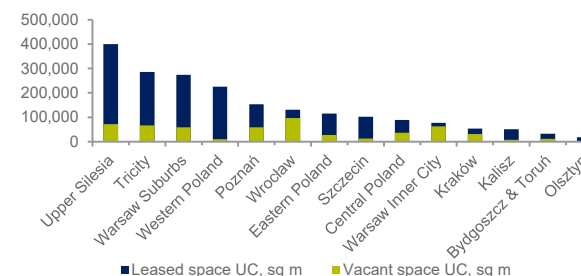
Outlook

While many industries are experiencing huge difficulties due to the pandemic, the warehouse sector recorded strong performance. This is mainly due to long-term growth, largely fueled by the high dynamics of the e-commerce sector, which has become even more important amidst the restrictions on stationary trade. Poland's strategic location at the intersection of major routes and further investment in transport infrastructure, combined with the development of urban and cross-border logistics, give an optimistic view of the sector's condition in 2021. Long-term growth is also predicted by investors, who spent a record EUR 2.6 billion on industrial projects in 2020.

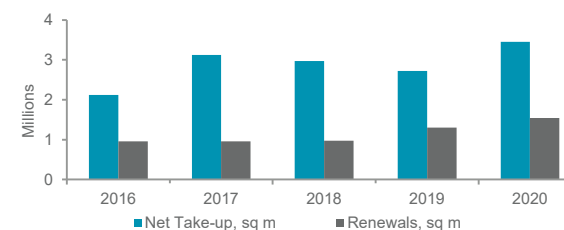
DEVELOPMENT ACTIVITY



SPACE UNDER CONSTRUCTION IN REGIONS DECEMBER 2020



TAKE-UP



MARKET STATISTICS

REGION	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)
Warsaw Suburbs	4,025,531	241,053	6.0%	318,182	910,187	508,309	274,612	3.80
Upper Silesia	3,700,361	323,181	8.7%	244,863	996,172	426,498	400,717	3.60
Central Poland	3,192,648	267,676	8.4%	163,817	676,450	72,215	88,994	3.60
Wrocław	2,324,954	182,260	7.8%	185,351	517,968	334,358	131,195	3.60
Poznań	2,238,804	132,063	5.9%	124,801	461,105	105,364	153,283	3.60
Warsaw Inner City	865,735	109,254	12.6%	51,243	156,177	26,315	77,445	5.25
Eastern Poland	820,486	23,305	2.8%	58,891	170,762	89,198	114,917	3.50
Tricity	813,294	53,777	6.6%	66,700	352,303	142,161	286,565	3.60
Szczecin	772,483	1,481	0.2%	103,411	190,652	51,143	102,549	3.60
Western Poland	734,334	11,316	1.5%	42,736	265,153	73,290	226,002	3.60
Kraków	559,944	24,711	4.4%	67,423	136,642	42,281	53,322	3.70
Bydgoszcz & Toruń	393,523	33,785	8.6%	51,213	91,137	78,807	32,680	3.60
Other	285,417	15,550	5.4%	10,478	69,878	38,100	69,418	3.60
POLAND TOTALS	20,727,513	1,419,412	6.8%	1,489,110	4,994,586	1,988,039	2,011,699	3.80/ BIG-BOX 5.25/ SBU

Source: Cushman & Wakefield

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	REGION	TENANT	SIZE (SQ M)	TYPE
Mapletree Park Szczecin	Szczecin	Rhenus Logistics	37,215 & 14,523	Renegotiations & Expansion
Panattoni A2 Warsaw Park	Warsaw Suburbs	Allegro	36,500	New lease
DL Invest Park Teresin	Warsaw Suburbs	Stokrotka	34,500	New lease (pre-let)

SELECTED SALE TRANSACTIONS Q4 2020

PROPERTY	REGION	SELLER	BUYER	SIZE (GLA)
Amazon Fulfilment Centre Wrocław	Wrocław	GLL Real Estate Partners	Hines	123,500 sq m
Amazon Fulfilment Centre Poznan	Poznań	GLL Real Estate Partners	Blackbrook	100,000 sq m
Wrocław Business Park	Wrocław	Aviva	Panattoni	9,500 sq m (+10.5 ha of investment land)

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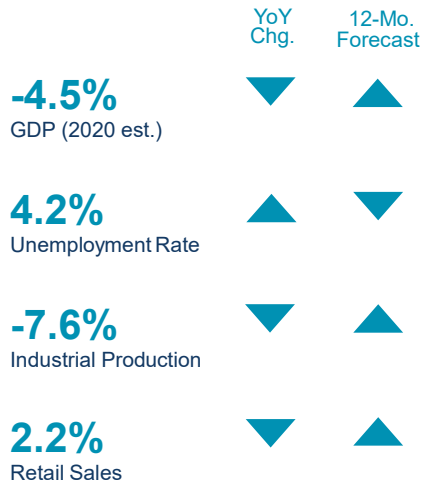
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ECONOMIC INDICATORS Q4 2020



Source: Oxford Economics, National Institute of Statistics

Logistics demand hits new records

The demand for Logistics space reached a new quarterly record in Q4 2020, with a total leasing activity of almost 413,000 sq m, up 45% when compared to Q3 2020 and more than double compared to the same period last year. The transactional volume for 2020 reached 994,000 sq m, reflecting a 109% growth. Renewals represent 25% out of the yearly volume transacted, the activity being mainly driven by new demand. However, the most significant deals signed in Q4 2020 were the renewals agreed by Carrefour, for their 85,000 sq. m distribution center in P3 Bucharest A1, and by Automobile Dacia, for the company's car parts 69,000 sq m distribution center located in Pitesti Industrial Park. Bucharest attracted 65% of the total take-up in 2020, while Timisoara reconfirmed its position as the most active regional market, with almost 100,000 sq m transacted (10% market share). Demand was driven by various sectors, with retail and ecommerce leading the way with a 46% market share, followed by Logistics (14%), Automotive (11%) and Pharma (8%).

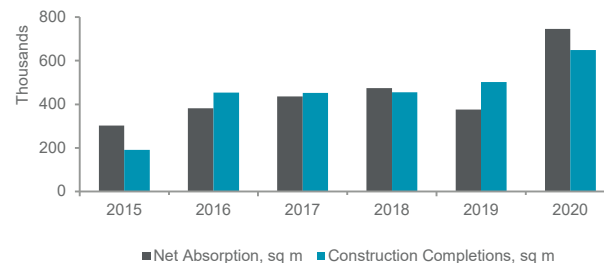
Developers are full-speed ahead

During Q4 2020, developers delivered new spaces of 293,000 sq m on the market, thus lifting the full-year new supply at 649,000 sq m. The most significant new developments were represented by Carrefour's 45,000 sq m distribution center from Deva, delivered by WDP, while CTP completed the first phase of CTPark Bucharest North and expanded their logistic centers in the western part of Bucharest. The vacancy rate slightly increased in Bucharest, reaching 7.4%, while the national level is of approximately 5.4%.

Consistent pipeline

The pipeline for 2021 is consistent, as developers currently have under construction new projects with a total area of 440,000 sq m in various cities. Bucharest remains the main hot spot, 60% of the new supply being developed around the capital city. Bucharest is not only the largest consumer market in Romania, but it also benefits from a strategic position to become a major regional distribution center, being directly connected to Constanta, one of the main Black Sea ports, while the Bulgarian border is less than 60 kilometers away.

SPACE DEMAND / DELIVERIES



BUCHAREST OVERALL VACANCY & PRIME RENT





MARKET STATISTICS

SUBMARKET	STOCK (SQM)	AVAILABILITY (SQ. M)	VACANCY RATE	CURRENT QTR TAKE-UP (SQ. M)	YTD TAKE-UP (SQM)	YTD COMPLETIONS (SQ. M)	UNDER CNSTR (SQ. M)	PRIME RENT (€/SQ M/MONTH)
Bucharest	2,352,700	173,100	7.4%	274,300	649,300	471,200	265,100	4.15
Timisoara	521,400	16,900	3.2%	21,700	99,400	-	45,900	3.75
Ploiesti	370,000	4,500	1.2%	-	13,000	-	11,000	3.75
Cluj	312,500	3,500	1.1%	1,000	17,900	16,500	39,800	4.00
Pitesti	232,900	0	0%	69,000	69,000	-	-	3.75
Brasov	218,500	2,500	1.1%	5,500	5,500	-	9,400	3.75
Other Cities	556,800	46,000	8.2%	41,500	140,200	161,400	69,300	3.75
ROMANIA	4,564,800	246,500	5.40%	343,000	994,300	649,100	440,500	4.15

KEY LEASE TRANSACTIONS Q4 2020

PROPERTY	SUBMARKET	TENANT	SIZE (SQ. M)	TYPE
P3 Bucharest A1	Bucharest	Carrefour	85,000	Renewal
Pitesti Industrial Park	Pitesti	Automobile Dacia	69,000	Renewal
Mobexpert Distribution Center	Bucharest	Mobexpert	48,000	SLB & Expansion
WDP Park Stefanesti	Bucharest	epantofi.ro	15,600	Pre-lease

KEY CONSTRUCTION COMPLETIONS Q4 2020

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
WDP Park Deva	Deva	Carrefour	45,000	WDP
WDP Park Buzau	Buzau	Ursus	21,000	WDP
CTPark Bucharest North	Bucharest	DSV	21,000	CTP

PIPELINE PROJECTS 2021

PROPERTY	SUBMARKET	MAJOR TENANT	SIZE (SQ. M)	OWNER/DEVELOPER
CTPark Bucharest West 20 - 21	Bucharest	Maersk - IB Cargo	101,800	CTP
WDP Park Craiova	Craiova	Profi	58,000	WDP
WDP Park Stefanesti II	Bucharest	epantofi.ro	50,000	WDP

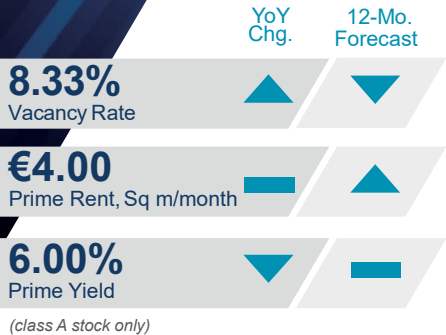
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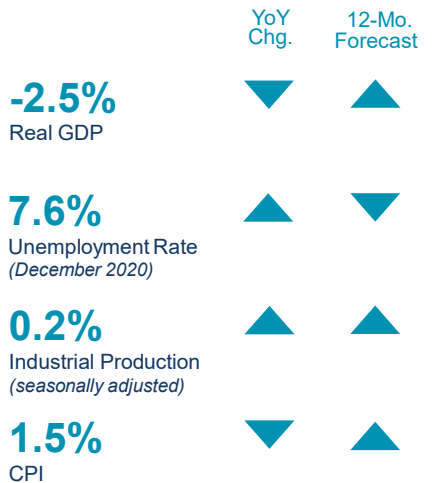
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ECONOMIC INDICATORS Q4 2020



Measurement: Yoy change estimates, unless indicated otherwise.
Source: Moody's, ÚSVaR

ECONOMY: Slovakia's economy on a rocky road to recovery

Despite nationwide testing and lockdowns, test positivity rate and the number of hospitalized patients surged at the turn of the year given heightened mobility of population during the holidays. As COVID-19 continues to trigger unprecedented Government response, the business environment must navigate through this unique playing field. According to the estimate of the National Bank of Slovakia, Slovakia's GDP fell 5.7% last year, while according to the estimate of the European Central Bank, the GDP of euro area as a whole fell 7.3%. The third quarter has seen a real GDP drop of 2.4% and a similar sentiment is expected at the year end. After an excellent third quarter, production, exports and turnovers fell slightly month-on-month. The adopted anti-pandemic measures have reflected in employment as well as in wages, the growth of which slowed down. Liquidity shortfalls in the private sector were sought to be replaced by external sources of finance which were more accessible due to the monetary policy measures and Government guarantees.

SUPPLY & DEMAND: Industrial Sector positioning for a landlord's market

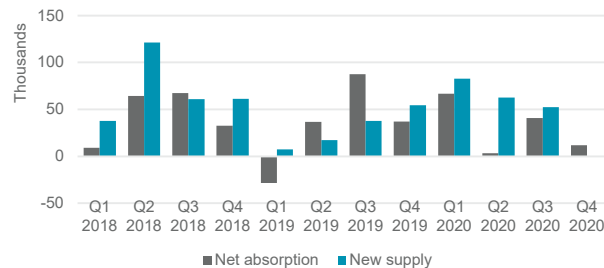
Total industrial stock grew by 8% year-on-year as the adoption of online shopping accelerated the built-to-suit development for e-commerce companies seeking to expand their distribution centres. Although there were no major completions in the fourth quarter, the total leasable space under construction was more than 190,000 sq m.

Vacancy rate decreased by 0.43 percentage points to 8.33%, mainly due to the rising absorption in the Bratislava Region. Net absorption in Slovakia reached 11,800 sq m. Total quarterly take-up recorded a 143% year-on-year growth, reaching 154,400 sq m. Overall, gross take-up in 2020 recorded a 16% growth compared to the year before, reaching 494,700 sq m. The outlook for industrial property remains positive since it remains the most liquid segment of real estate in Slovakia.

PRICING: CRE investment poised for a rebound as last year's volume waned amid the ongoing pandemic

Total commercial real estate investment amounted to EUR 502 million in 2020, a year-on-year decrease of 27%. Industrial real estate was the most attractive sector for investors with a share of approximately 49% of total investment volume. Prime industrial yield narrowed by 20 basis points to 6.00% while maintaining the prime rent of 4 EUR / sq m / month, although we expect a strong upward pressure on rents in the coming year.

SPACE DEMAND / DELIVERIES (SM)



OVERALL VACANCY & PRIME RENT



MARKETBEAT SLOVAKIA

Industrial Q4 2020



MARKET STATISTICS

SUBMARKET	INVENTORY (SM)	AVAILABILITY (SM)	OVERALL VACANCY RATE	CURRENT QTR TAKE-UP	YTD OVERALL TAKE-UP(SM)	UNDER CONSTRUCTION (SM)
Bratislava Region	1,375,400	80,800	5.88%	132,300	335,900	147,700
Western Slovakia	1,092,900	99,200	9.08%	17,800	99,900	32,100
Central Slovakia	120,400	31,000	25.78%	0	4,200	0
Eastern Slovakia	136,900	16,000	11.67%	4,300	54,700	11,200
SLOVAKIA TOTALS	2,725,600	227,000	8.33%	154,400	494,700	191,000

The data is based on class A, non-owner occupied leasable stock.

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