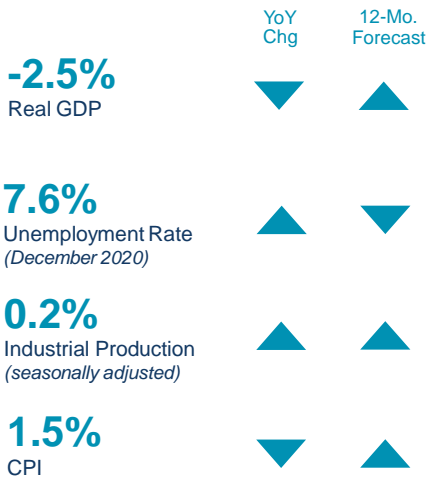


ECONOMIC INDICATORS Q4 2020



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.

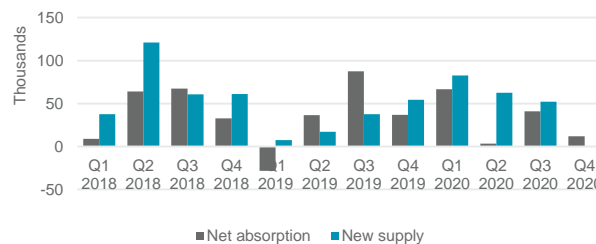
SUPPLY & DEMAND: Robust Development in Prime Locations Is Positioning Industrial Sector for a Landlord's Market

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.

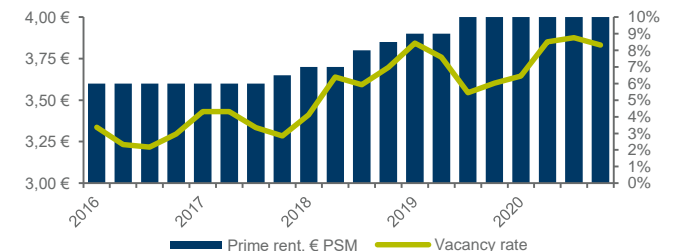
PRICING: CRE Investment Poised for a Rebound as Last Year's Volume Waned Amid the Ongoing Pandemic

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.

JURAJ BRONČEK

Research Analyst

+421 (0) 910 162 011 /

juraj.broncek@cushwake.com

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