

**12.21%**  
Vacancy Rate

YoY  
Chg

12-Mo.  
Forecast



**€16.50**  
Prime Rent, PSM



**5.50%**  
Prime Yield



Source: Bratislava Research Forum (figures are based on class A+B stock only)

## ECONOMIC INDICATORS Q3 2021

**358K**

Bratislava Region  
Employment

QoQ  
Chg



**5.0%**

Bratislava Region  
Unemployment Rate



**7.8%**

Slovakia  
Unemployment Rate



Source: ÚPSVaR

## ECONOMY: Immunization Coverage Among Biggest Hurdles in Maintaining Economic Growth

According to the National Bank of Slovakia, achieving the pre-crisis levels of gross domestic product will be postponed to the beginning of 2022, due to the effects of the third wave of COVID-19 and the supply chain disruptions affecting the industrial production. According to Statistical Office of the SR, year-on-year growth in consumer prices increased to 3.8% in the third quarter, and inflation should not return to 2% until 2023. One of the main factors hindering the growth of production is the mismatch between the demand and supply of skilled labour. Relatively dynamic wage growth should help attract more people into employment. The improvement in the epidemiological situation in the third quarter led to an increase in mobility, which brought about a gradual recovery of the service sector. However, this year's growth might be jeopardized by a low vaccination rate which still lags behind neighbouring countries, staying far below the threshold needed to keep the health care system in the country from being overloaded during the next wave of the pandemic.

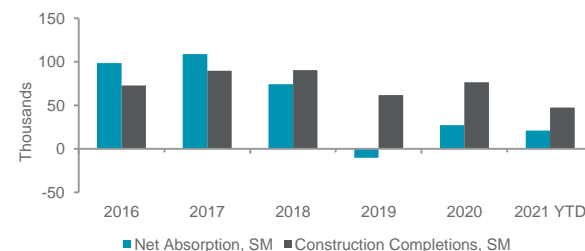
## SUPPLY & DEMAND: Solid Absorption of New Supply Keeps Vacancy Rate Stable

Bratislava saw the completion of two new projects in the third quarter: Klingerka Offices and Jurkovič Heating Plant. Together, they increased the total stock by 14,700 sq m. The construction has moderated and the pressure on landlords to lease up new vacant spaces will be therefore reduced. This may reverse the three-year trend of climbing vacancy rate, which recorded no overall change during the third quarter. Total occupied stock increased by 13,800 sq m, demonstrating solid absorption of new supply. Although take-up decreased compared to the same quarter of last year, we record a robust, 79% year-over-year growth of year-to-date net take-up. 9 out of 10 metres leased in Q3 were in class A office buildings, half of which were in the Central Business District. New leases surpassed renegotiations for the fourth quarter in a row as tenants relocate to higher quality, newly built office buildings.

## PRICING: Investors Increasingly Demand Income Security, Achievable Yields Remain in a Downtrend

Prime rent remained stable at 16.50 euros per sq m per month as occupiers whose business thrived during the pandemic look for modern office space in prime locations. Recently closed and ongoing transactions in this sector confirm a prime yield of 5.50% and we expect another yield compression in the near term. Investors increasingly demand income security, so a product with long WAULT and high occupancy is especially attractive in a tenant's market.

## SPACE DEMAND & DELIVERIES



## OVERALL VACANCY & PRIME RENT



## MARKET STATISTICS

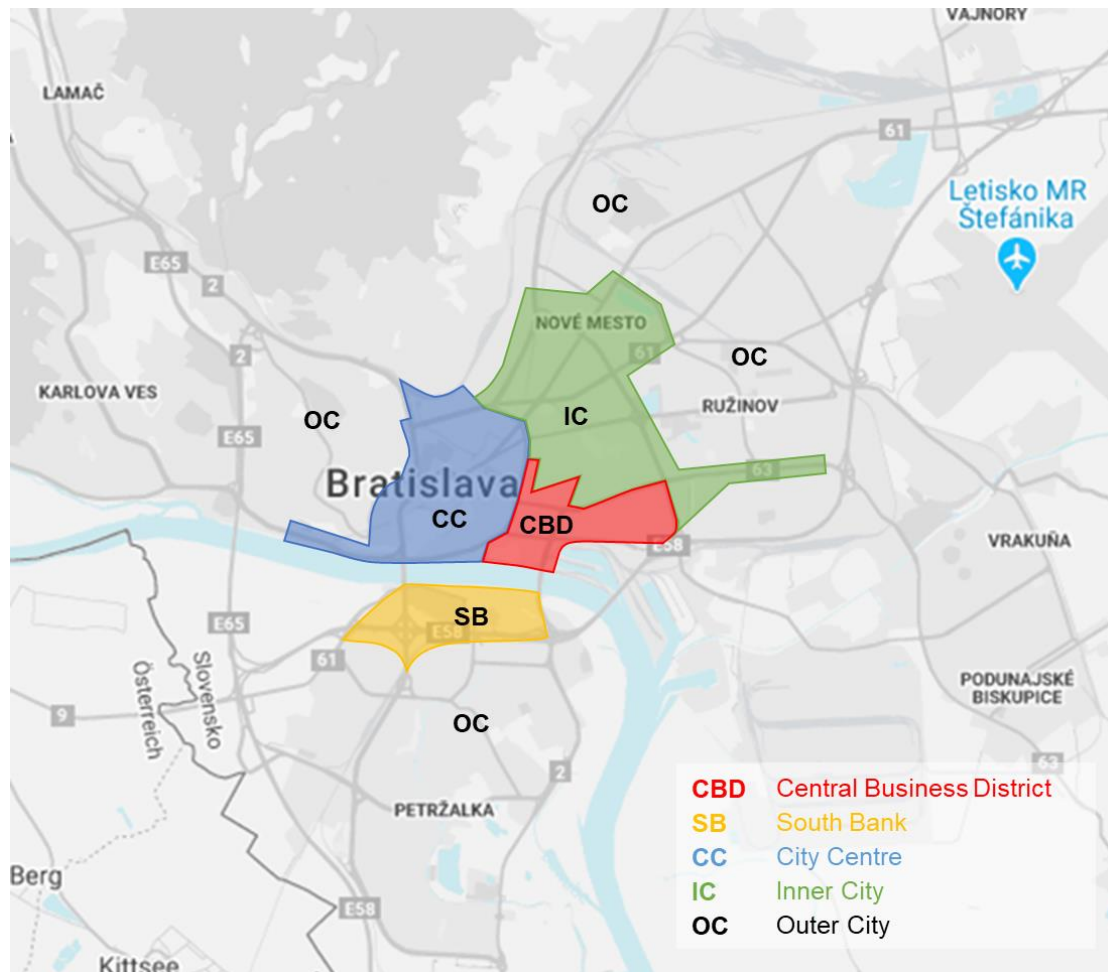
SUBMARKET*	INVENTORY (SM)	AVAILABILITY (SM)	OVERALL VACANCY RATE	CURRENT QTR TAKE-UP	YTD OVERALL TAKE-UP (SM)	UNDER CONSTRUCTION (SQ.M)	PRIME RENT
CC	491,500	32,400	6.6%	5,500	16,200	0	€16.50
IC	296,600	33,600	11.3%	4,500	12,300	24,700	€14.00
OC	414,900	56,600	13.6%	7,400	18,000	15,900	€11.50
CBD	610,000	91,500	15.0%	21,100	83,900	70,800	€16.50
SB	162,400	27,200	16.8%	5,300	9,100	0	€14.50
<b>Grand Total</b>	<b>1,975,400</b>	<b>241,300</b>	<b>12.2%</b>	<b>43,800</b>	<b>139,600</b>	<b>111,300</b>	<b>€16.50</b>

\*Bratislava office submarkets are shown on the last page of this report.

## KEY LEASE TRANSACTIONS Q3 2021

PROPERTY	SUBMARKET	TENANT SECTOR	RSM	TYPE
The Mill	CBD	Consumer goods	5,000	pre-lease
Jurkovičova Tepláreň	CBD	Professional services	3,500	new lease
Plus Centrum I (III. etapa)	OC	Public sector	3,300	new lease
Digital Park II+III	SB	Professional services	2,900	renegotiation
Eurovea Central	CBD	Professional services	2,300	renegotiation

OFFICE SUBMARKETS



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