



MARKET FUNDAMENTALS

	YOY Chg.	12-Month Forecast
4.32% Vacancy Rate	▲	▬
€5.25 Prime Rent, sq m/month	▲	▲
6.25% Prime Yield <i>(class A stock only)</i>	▬	▬

ECONOMIC INDICATORS

	YOY Chg.	12-Month Forecast
2.3% GDP Growth	▲	▲
3.8% Unemployment Rate	▼	▼
2.4% Industrial Production	▼	▲
2.7% CPI	▼	▲

Source: Moody's Analytics, Slovakia Statistical Office

ECONOMY: ECB INTEREST RATE CUTS, CONSOLIDATION PACKAGE ANNOUNCED BY GOVERNMENT

In last months, the European Central Bank reduced the main interest rate by 85 basis points to 3.40% as of October, with further cuts anticipated in year's end, as the inflation is below 2% level. Inflation in Slovakia stands at 2.7%, and the National Bank of Slovakia projects 3.0% for 2024. Lower inflation has positively influenced consumer spending, which grew by 3.6% in the first eight months of the year, reflecting mostly rising real wages. Slovakia maintains a stable credit rating with moderate risk, and the government's announced fiscal consolidation is expected to help alleviate economic pressures, though its actual impact will only become apparent next year.

Unemployment remains low at 3.8% as of September, with a pronounced worker shortage, especially in Western Slovakia, where the rate is closer to 2.5%. In contrast, parts of Eastern and Central Slovakia still face double-digit unemployment.

SUPPLY & DEMAND: ROBUST NEW SUPPLY WITH STRONG PRE-LEASES

In Q3, the sentiment in the industrial market reflects a desire to catch up with the "slowdown" experienced in H1. The market remains active, although many transactions are being finalized from the previous year. Several developers are looking to initiate speculative construction due to a perceived lack of pipeline, evidenced by 227,900 sqm currently under construction, of which only 19% is pre-leased. This situation benefits tenants, offering them multiple options and locations. During Q3, five new buildings were added to the market, totalling 127,100 sqm, representing over a 60% increase compared to 3y average. The 87% pre-lease rate before completion, underscores a strong demand for modern facilities in the highest standards.

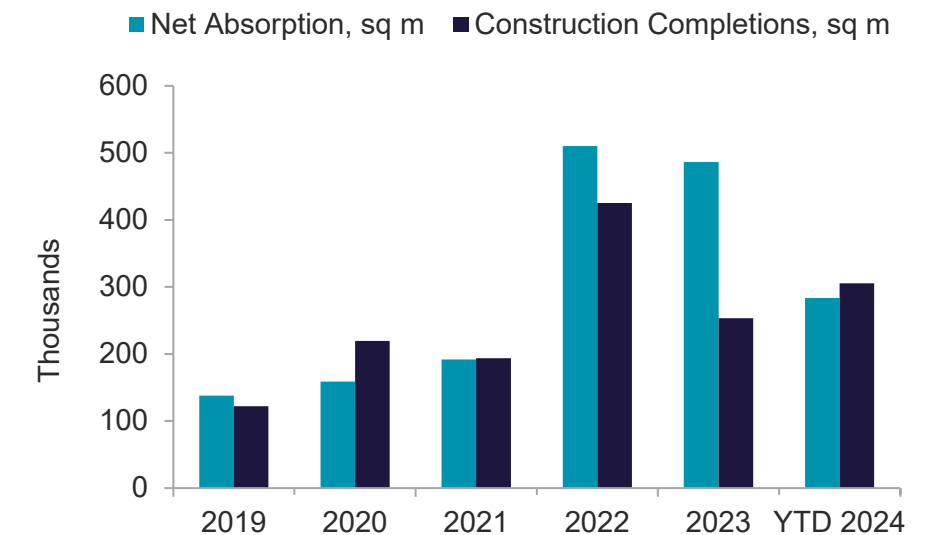
Gross take-up reached 137,800 sqm, a 20% year-on-year decline, but consistent with the five-year average. The net take-up, bolstered by strong pre-leasing activity, amounted to 108,100 sqm. Domestic companies show signs of stagnation and are delaying decisions, while foreign firms, particularly from China and South Korea, are entering the market, especially in Eastern Slovakia.

PRICING: COMPETITIVE RENTS AMONG CEE COUNTRIES, ATTRACTIVE SECTOR FOR INVESTORS

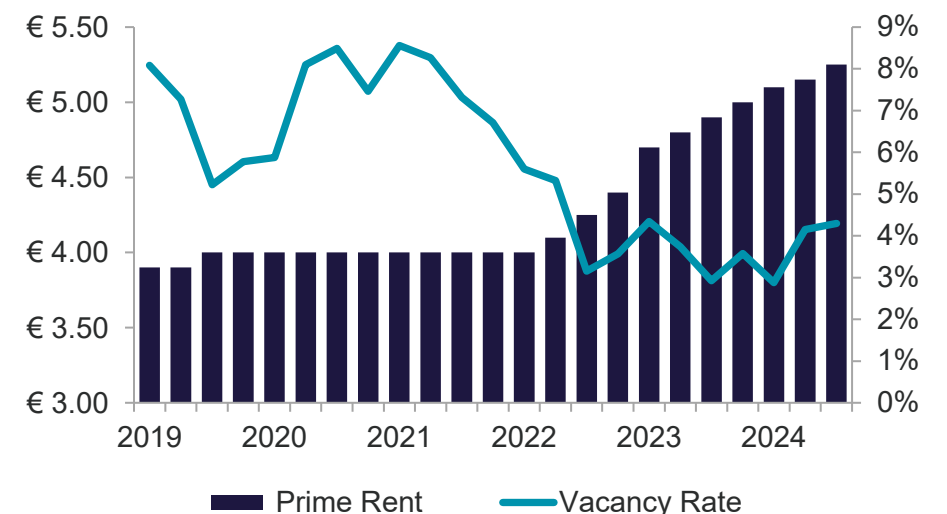
In Q3, prime rents continued their upward trend, reaching €5.25/sqm/month. These rates are particularly achievable in Žilina, Bratislava region, and Eastern Slovakia. From a competitiveness perspective within the CEE region, Slovakia maintains a reasonable and sufficient pipeline at lower headline rates compared to neighbouring countries.

Prime yields have remained steady for over a year, quoted at 6.25% for logistics and 6.50% for manufacturing properties. Recent investment activity has included several transactions across country, with larger transactions expected to close in Q4.

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	1,804,200	68,600	3.8%	59,100	153,000	91,500	76,200	€ 5.25
Trnava region	1,081,500	62,800	5.8%	0	51,800	119,500	88,000	€ 5.15
Trencin region	436,300	16,500	3.8%	5,000	38,600	0	16,200	€ 5.15
Zilina region	418,000	21,900	5.3%	14,600	45,400	36,100	29,900	€ 5.20
Kosice region	210,200	0	0.0%	14,600	19,100	0	0	€ 5.20
Nitra region	176,800	16,000	9.1%	0	2,500	7,800	1,200	€ 5.15
Presov region	144,800	0	0.0%	44,400	62,000	42,400	11,200	€ 5.20
Banska Bystrica region	29,000	0	0.0%	0	5,500	8,000	5,300	€ 5.05
SLOVAKIA TOTALS	4,300,800	185,900	4.3%	137,800	378,000	305,400	227,900	€ 5.25

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	REGION	SECTOR	SIZE (SQ M)	TYPE
CTPark Presov	Presov	Manufacturing	33,100	pre-lease
VGP Park Triblavina	Bratislava	3PL	11,800	pre-lease
Contera Park Presov	Presov	Automotive	11,400	lease-expansion
CTPark Zilina	Zilina	Automotive	8,900	new lease
CTPark Kosice	Kosice	Manufacturing	8,900	new lease

KEY CONSTRUCTION COMPLETIONS Q3 2024

PROPERTY	REGION	SIZE (SQ M)	PRE-LEASE	OWNER/DEVELOPER
VGP Park Triblavina	Bratislava	40,000	100%	VGP
Ferovopark	Presov	31,000	100%	SISBAN HOLDING
Panattoni Park Bratislava North	Bratislava	24,700	77%	Panattoni
CTPark Zilina Airport	Zilina	20,000	43%	CTP Invest
Contera Park Presov	Presov	11,400	100%	Contera

Source: Cushman & Wakefield, Industrial Research Forum

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