

MARKET FUNDAMENTALS

	YOY Chg.	12-Month Forecast
13.17% Vacancy Rate	▼	▼
€19.00 Prime Rent, sq m/month	▲	▲
6.25% Prime Yield	▬	▬

(Overall, All Property Classes)

ECONOMIC INDICATORS

	YOY Chg.	12-Month Forecast
323K Bratislava Employment	▲	▲
2.6% Bratislava Unemployment Rate	▼	▼
3.8% Slovakia Unemployment Rate	▼	▼

Source: 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: PERSISTING DEMAND FOR A-CLASS SPACES, LIMITED PIPELINE

The demand for A+ and A-class office space remains robust, but the supply continues to be limited. This trend is not expected to change in the near term, as significant developments like Dunaj and other larger buildings are not anticipated until Q4 2025 and beyond. Many large corporate tenants are focusing on ESG-compliant projects and may seek to secure pre-leases in those upcoming developments.

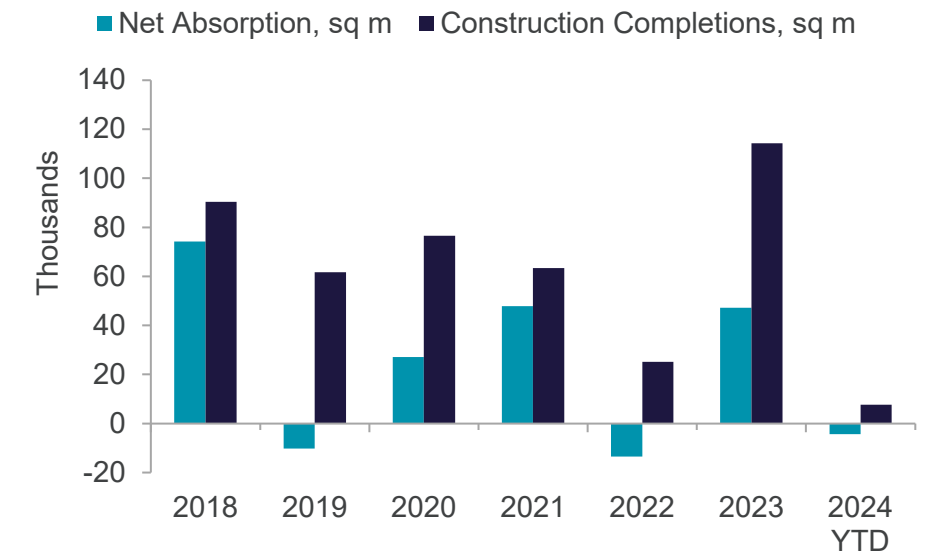
The vacancy rate has decreased for the third consecutive quarter, now at 13.17%, and further compression is expected. However, take-up in Q3 was relatively moderate at 28,000 sqm, reflecting a slight decline compared to the average for third quarters over the last five years. Renegotiations dominated in Q3, with net take-up accounting for 43% of total demand at 12,100 sqm. For 2024, we anticipate total take-up between 180,000 and 220,000 sqm, aligning with the five-year average. Campus Podhradie, A-class building with 2,600 sqm, was the only building completed in Q3, achieving over 90% occupancy upon completion, further validating the demand for premium spaces.

PRICING: PRIME RENT STABLE, EXPECTED TO INCREASE IN Q4

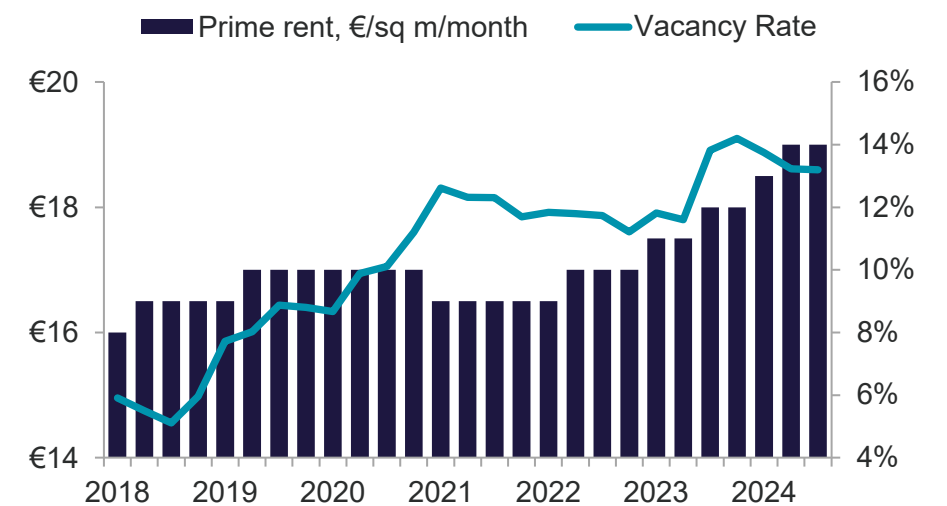
In Q3, yields in the office market remained stable at 6.25% for prime assets characterized by high quality, long WAULTs and located in CBD. The future movements of prime yields will hinge on overall economic conditions, future interest rate cuts, and investor demand.

Prime rents in CBD location remained unchanged at €19.00/sqm. Similarly, rental prices in other Bratislava submarkets have remained stable. Given the limited availability of prime (A+) stock and a constrained pipeline, it is anticipated that prime rents will increase by year-end.

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)
CBD	734,800	121,900	16.6%	8,400	50,900	5,000	28,800	€ 19.00
CC	455,100	33,700	7.4%	5,100	21,400	2,600	12,500	€ 16.00
IC	305,900	28,200	9.2%	1,900	14,600	0	0	€ 15.00
OC	423,500	77,300	18.2%	3,400	18,900	0	0	€ 12.50
SB	158,800	12,600	7.9%	9,100	28,000	0	0	€ 15.00
BRATISLAVA TOTALS	2,078,070	273,700	13.2%	28,000	133,700	7,600	41,300	€ 19.00

KEY LEASE TRANSACTIONS Q3 2024

PROPERTY	SUBMARKET	Occupation	SIZE (SQ M)	TYPE
Digital Park II+III	SB	Consumer Goods	2,291	renegotiation
Digital Park II+III	SB	Finance/Banking/Insurance	2,207	renegotiation
Pribinova 19	CBD	IT	1,234	renegotiation
Galvaniho Business Center IV	OC	IT	1,128	renegotiation
Digital Park II+III	SB	Finance/Banking/Insurance	1,054	renegotiation
EInsteinova Business Center	SB	IT	940	lease-expansion
RiverPark	CC	IT	930	new lease
City Business Center II	CBD	Consumer Goods	851	renegotiation
Sky Park	CBD	Pharma/Medical/Health	850	new lease
BA Business Center V	CBD	Pharma/Medical/Health	783	new lease

KEY CONSTRUCTION COMPLETIONS 2024

PROPERTY	SUBMARKET	MAJOR TENANT SECTOR	SIZE (SQ M)	OWNER/DEVELOPER
Sklad 7	CBD	Public	4,975	JTRE
Campus Podhradie	CC	IT	2,643	Stengl

Source: Cushman & Wakefield, Bratislava Research Forum

LUKÁŠ BRATH

Senior Research Analyst, Slovakia

Tel: +421 904 325 358

lukas.brath@cushwake.com

RADOVAN MIHÁLEK

Head of Office Agency, Slovakia

Tel: +421 911 758 118

radovan.mihalek@cushwake.com

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