

## Press release

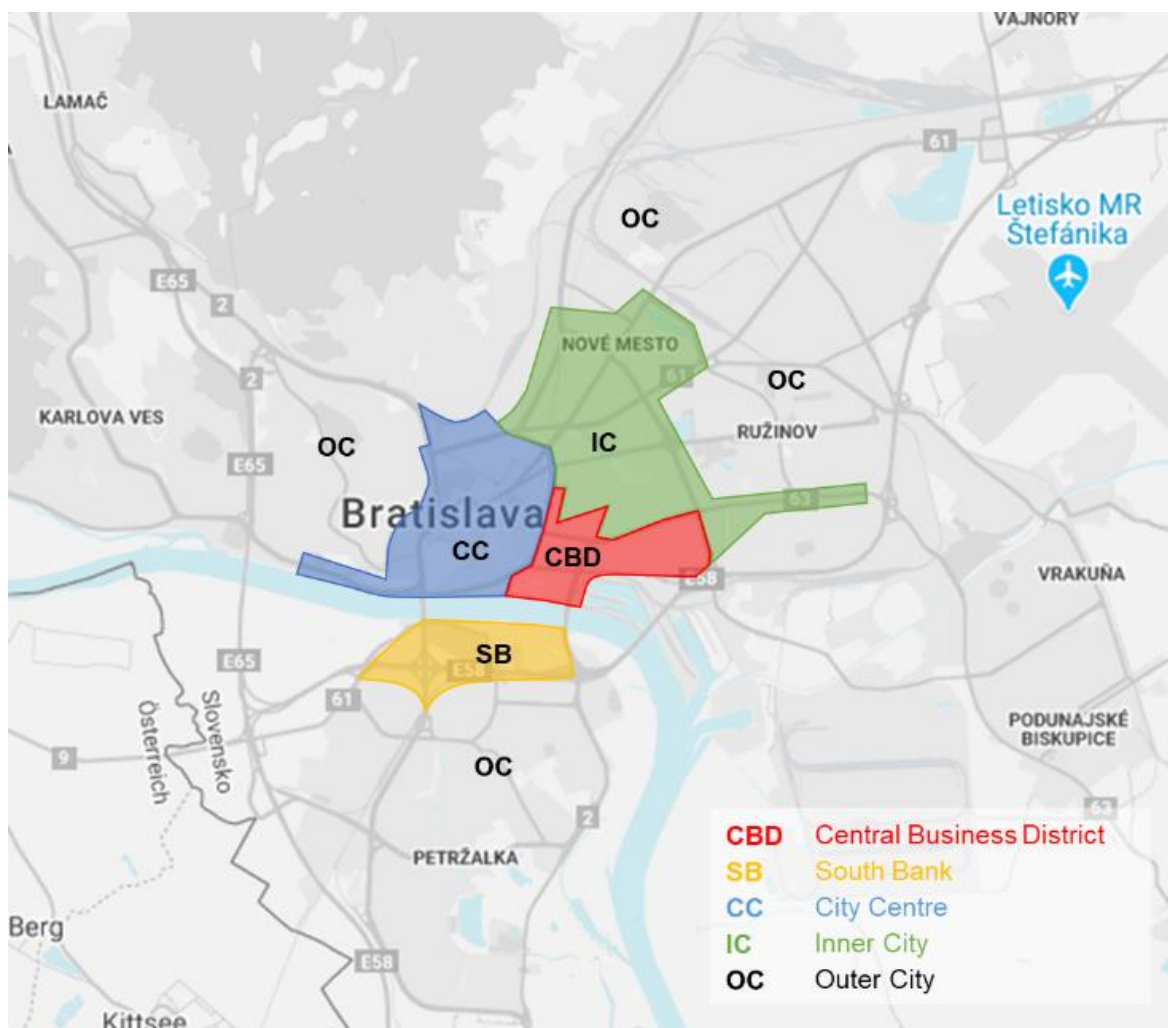
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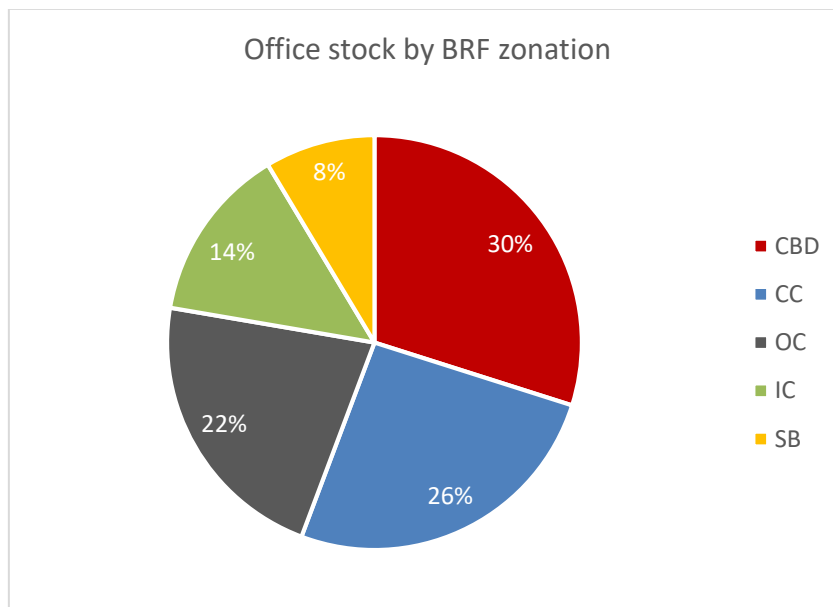
October 28<sup>th</sup> 2020, Bratislava

### Bratislava Research Forum Announces Office Market Figures for Q3 2020

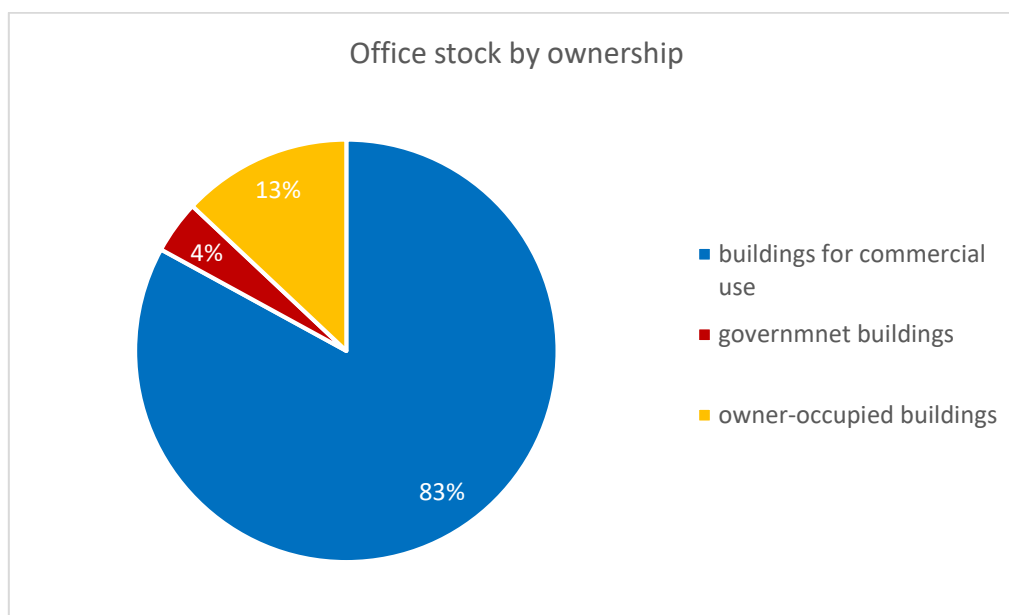
**In the third quarter of 2020, the total office stock in Bratislava reached more than 1.89 million sq m. 63% of total stock consists of class A office space and 37% of class B office space.**

During the third quarter of 2020, 2,300 sq m of new office supply was added to the market. The only completion was the reconstruction of the Carlton Savoy 4 building. A total of 4 buildings with a total area of more than 50,000 sq m were added so far in 2020. We record 7 projects under construction with planned completion before the end of 2021. Their total area is more than 87,000 sq m of new supply in the class A standard.





In terms of ownership structure, approximately 4% of the office stock is state-owned, 13% are buildings owned and fully occupied by the same entity, and the total stock for commercial use remains at 83% (or around 1.6 million sq m) of total modern office stock in Bratislava.

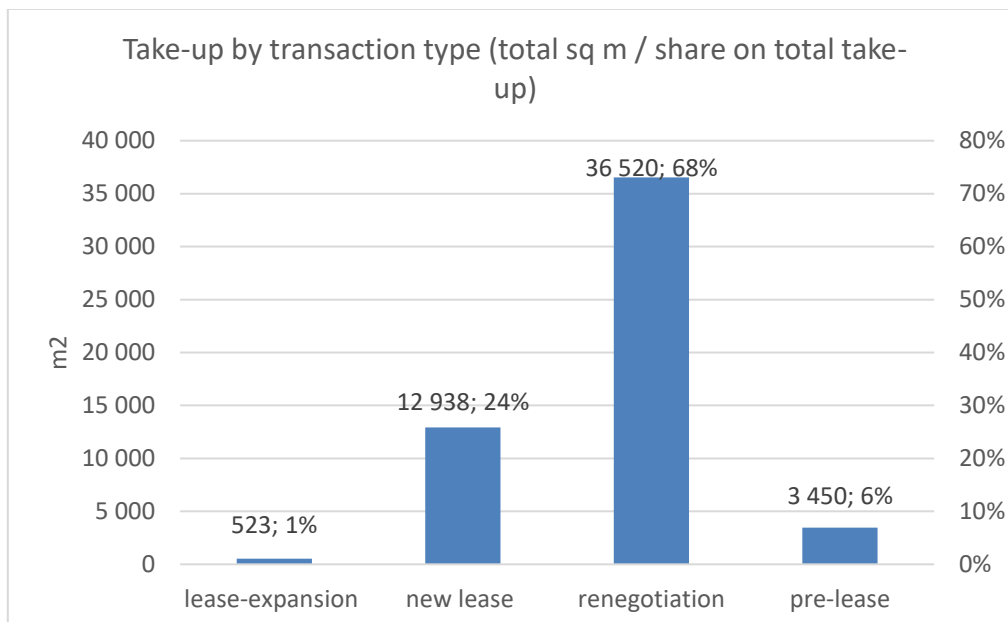


### Green Certified Buildings

Within the total office stock, 33 buildings (more than 636 thousand sq m, i.e. 34% of the total stock) have one of the certificates of a green building / sustainable building - either LEED or BREEAM. In preparation for the BREEAM certificate are the Nivy Tower building and also the myhive buildings, which would like to obtain the BREEAM very good certificate in the coming months. The share of green buildings would thus increase to almost 710 thousand sq m, which would bring their share in the market to 36%.

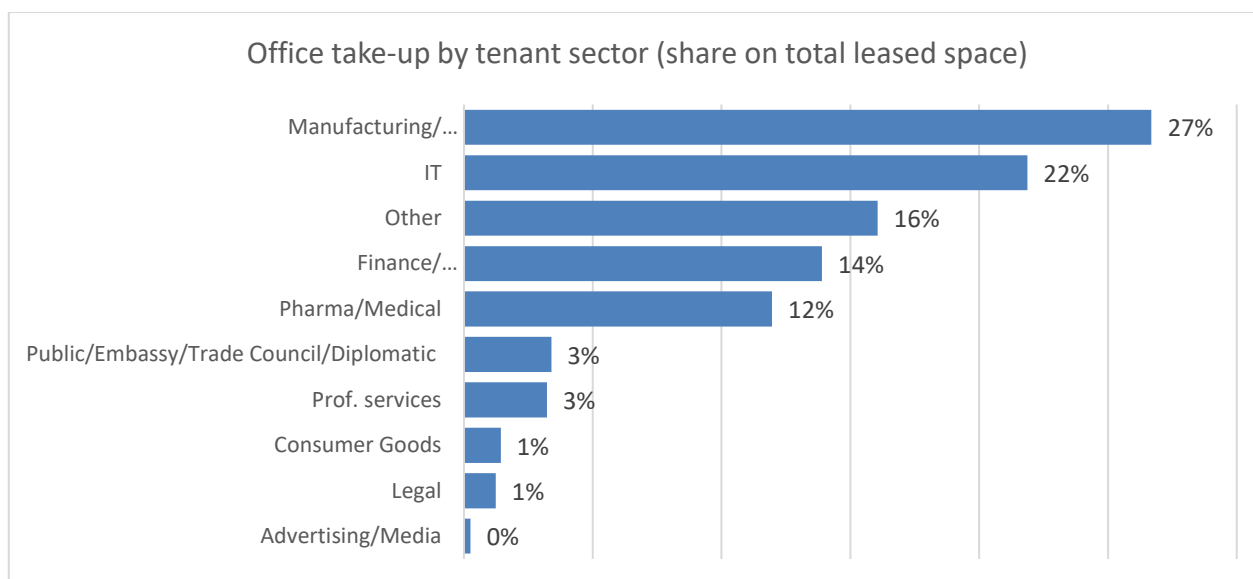
### Office Market Transactions (Take-Up)

Lease transactions in the third quarter of 2020 reached a total area of approx. **53,700 sq m**, which represents more than 100% increase in leased space compared to the same quarter last year. Renegotiations of current leases dominated, with a 68% share of all transactions. They were followed by new leases (24%), pre-leases (6%) and expansions with a 1% share.



The largest transaction in the third quarter was the renegotiation of 12,000 sq m of office space within the manufacturing / construction sector. In addition, a further 15 transactions with an area of more than 1,000 sq m and 13 transactions ranging from 500 to 1,000 sq m were recorded.

The majority of leased spaces this quarter were let to manufacturing / construction sector (27%), followed by the IT sector (22%) and unclassified sectors (20%).



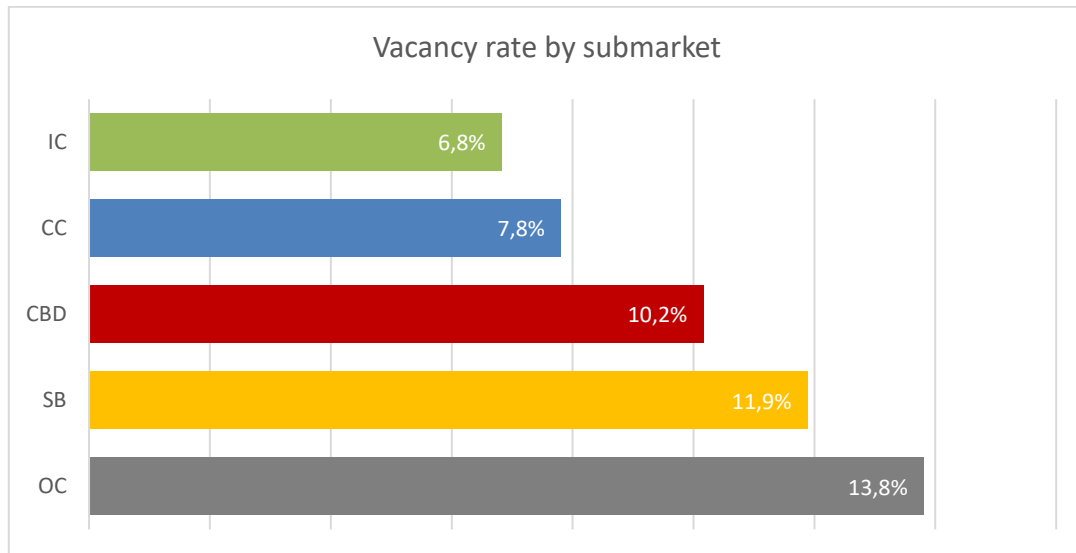
### Significant Office Transactions

Property	Let area (sq m)	Occupation	Type of deal
Pressburg Trade Center	12,000	Manufacturing/Construction	renegotiation
Digital Park II+III	3,050	Other	renegotiation
Apollo Business Center II - HB Reavis	2,700	IT	renegotiation
Digital Park II+III	2,300	Finance/Banking/Insurance	renegotiation
Riverpark	1,543	Pharma/Medical	renegotiation
Westend Square	1,500	Manufacturing/Construction	new lease
Digital Park II+III	1,420	Other	renegotiation

Radlinskeho J&T Global - CSOB	1,395	Public/Embassy/Trade Council/Diplomatic	new lease
Apollo Business Center II - HB Reavis	1,300	Finance/Banking/Insurance	renegotiation
City Business Center IV	1,270	IT	new lease

## Office Vacancy

The overall vacancy rate in Bratislava increased slightly to 10.05% from 9.80% in the previous quarter. The lowest vacancy rate was recorded in the Inner City submarket (6.8%), followed by the City Center (7.8%), CBD (10.2%), South Bank (11.9%) and the highest vacancy rate was in the Outer City (13.8%). Almost a third of all unoccupied spaces were located in buildings built or refurbished in 2018 and later. Buildings with green certification achieved a vacancy rate of 8.0%, while those without certification 11.2%.



## Prime Rent

Prime rent remained unchanged at 17.00 EUR/sq m/month.

For further information please contact any member of the Bratislava Research Forum.



#### Definitions

**Stock:** Total completed office space (occupied and vacant), newly built since 1993 or refurbished, A and B class offices, owner occupied and for lease.

**New supply:** Completed newly built or refurbished buildings that obtained a use permit in the given period.

**A-Class office building:** Reflects an above average fulfilment of the specific criteria including the following: integrated air conditioning system, limited total floor depth, floor to ceiling height minimum of 2.75m, flexibility of internal design, either three compartment trunking for telephones, electricity and computer cable or raised floors/suspended ceilings, manned reception and covered access to car parking, lift access and disabled access, dual power supply and/or power supply system back-up.

**B-Class office building:** Reflects an average or typical property in that market based on the above mentioned criteria.

**Take-up:** A gross figure representing the total floor space known to have been let or pre-let, sold or pre-sold to tenants or owner-occupiers over a specified period of time. It does not include space that is under offer. A property is taken up when the contract is signed. Total take-up includes re-negotiations, net take-up excludes re-negotiations.

**Pre-lease:** Active pre-leasing for an office building begins as soon as preliminary design drawings are ready to show to prospective tenants. Pre-leasing occurs until the start of construction.

**Vacancy rate:** Ratio of physically vacant space in completed buildings as a percentage of the total stock.

**Prime rent:** Achieved rents that relate to new prime, high specification units in prime locations.

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