



MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
1.62% Vacancy Rate	▼	▬
95,015 Take-up, SM	▲	▲
€5.40 Prime Rent (>10,000 SM) PSM <i>(Overall, Net Asking Rent)</i>	▬	▬

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
2.8% Value of imported raw materials Jan. - Oct., 2024	▲	▲
4.1% Manufacturing production Nov. 2024	▲	▲
3.4% Value of imported consumer goods Jan. - Oct., 2024	▲	▲
-5.6% Wholesale trade turnover Nov. 2024	▼	▬

Source: Statistical Office (NSI), Central Bank (BNB)

ECONOMY: GROWTH ACCELERATES

In 2024, Bulgaria's economy showed accelerated growth each quarter, ranking among the EU's top 10 most dynamic economies. This was driven by domestic consumption and investments, while external trade faced challenges due to weak international demand.

By year-end, the economic environment remained positive. Inflation fell below EU and Eurozone averages, and unemployment hit a record low. Consumer optimism was high, with business leaders in manufacturing and construction showing increased confidence, while the services and retail sectors remained stable.

SUPPLY & DEMAND: NARROWING AVAILABLE SPACE

Development activity in Sofia was steady in Q4, with 59,000 sqm of light industrial and warehouse space completed. Total deliveries for the year reached 180,000 sqm. Of the 11 projects finished in Q4, 9 were built for own use, mainly by manufacturing companies in food, furniture, chemicals, and metalworking. Two speculative projects added just over 9,000 sqm to the market, bringing the speculative stock in and around Sofia to approximately 640,000 sqm.

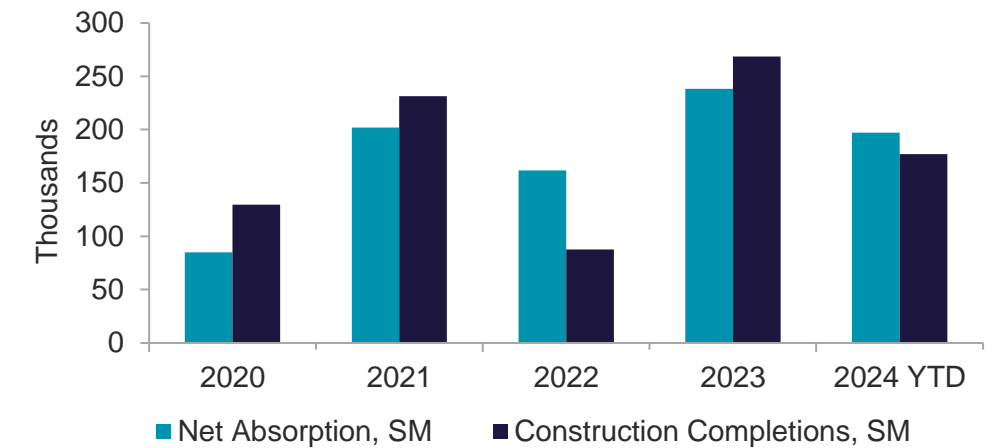
Four new projects totaling 21,000 sqm were launched in Q4, all for own use by wholesale trading firms. Space under construction dropped 6% from Q3 to 335,000 sqm.

Demand surged, with take-up rising 80% q/q and 14% y/y to 95,000 sqm. This was driven by a large build-to-suit contract for an international manufacturer and smaller leases for logistics and warehouse space. Occupied space reached 66,000 sqm, reducing the vacancy rate to just 1.6%.

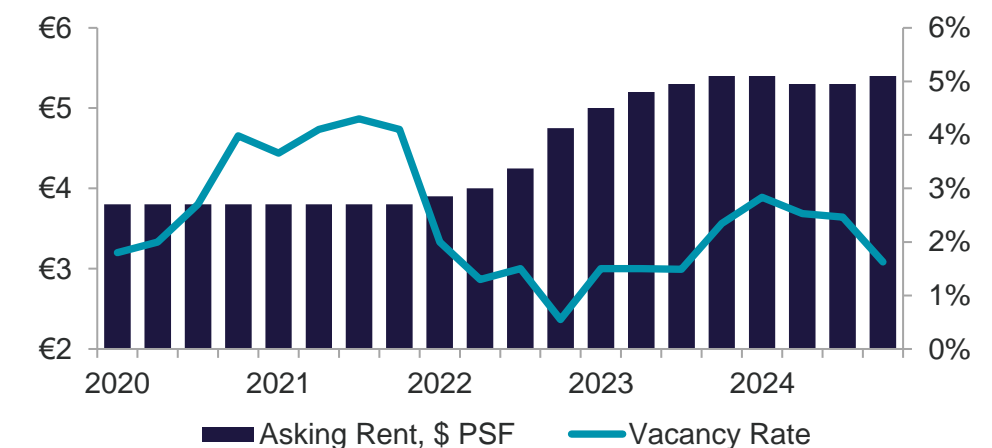
PRICING: CREEPING UP

At the end of 2024, prime yields for Class A logistics space (10,000+ sqm) held steady at 7.50%, with expectations for decrease over the next few months. Prime rents rose 2% q/q to €5.4/sqm, with a flat to marginally upward trend expected.

SPACE DEMAND / DELIVERIES



OVERALL VACANCY & ASKING RENT



MARKET STATISTICS

SUBMARKET	INVENTORY (SM)	OVERALL VACANT (SM)	OVERALL VACANCY RATE	CURRENT QTR TAKE-UP(SM)	YTD TAKE-UP (SM)	UNDER CNSTR (SM)	CNSTR COMPLETIONS (SM)	PRIME RENT*	PRIME YIELD
Sofia	2,233,792	36,290	1.62%	95,015	239,282	334,976	58,513	€5.40	7.50%
TOTAL	2,233,792	36,290	1.62%	95,015	239,282	334,976	58,513	€5.40	7.50%

*Rental rates reflect weighted net asking € SQM / Month.

KEY CONSTRUCTION COMPLETIONS YTD 2024

PROPERTY	SUBMARKET	MAJOR TENANT	SM	OWNER/DEVELOPER
Etem Gestamp (warehouse and production facilities) - bldgs. 13,14,15	Sofia suburbs	Etem Gestamp	11,774	Etem Gestamp Aluminium Extrusions
Kammarton (warehouse)	Sofia suburbs	Kammarton Bulgaria	10,000	Kammarton Bulgaria
Film studio	Industrial Park Sofia - Bozhurishte	Solent Film	7,300	Solent Film OOD
RGS Invest (logistics cntr. – bldg. 6)	Industrial Park Sofia - Bozhurishte	confidential	7,000	Union Group
Fantastico (exp. of logistics cntr.)	Elin Pelin	Fantastico	16,248	Van Holding
Videolux Holding (phase 3 & 4)	Industrial Park Sofia East	Technopolis / Praktiker	29,400	Videolux Holding
dm (warehouse phase 1)	Elin Pelin	dm Bulgaria	8,900	Zem Hold 2012
Sanitex (warehouse and production facilities)	Kostinbrod	Sanitex	9,100	Sanitex Paper Products OOD
Jacobs (manufacturing fac.)	Kostinbrod	Jacobs Dow Egberts	6,000	Jacobs Dow Egberts OPS BG EOOD

RADOSTINA MARKOVA

Head of Research & Marketing

Tel: +359 883 260 333

Radostina.markova@cwforton.com

NICKOLAY GRIGOROV

Senior Research Analyst

Tel: +359 887 501 513

Nickolay.grigorov@cwforton.com

A CUSHMAN & WAKEFIELD RESEARCH PUBLICATION

Cushman & Wakefield (NYSE: CWK) is a leading global commercial real estate services firm for property owners and occupiers with approximately 52,000 employees in nearly 400 offices and 60 countries. In 2023, the firm reported revenue of \$9.5 billion across its core services of property, facilities and project management, leasing, capital markets, and valuation and other services. It also receives numerous industry and business accolades for its award-winning culture and commitment to Diversity, Equity and Inclusion (DEI), sustainability and more. For additional information, visit www.cushmanwakefield.com.

©2024 Cushman & Wakefield. All rights reserved. The information contained within this report is gathered from multiple sources believed to be reliable, including reports commissioned by Cushman & Wakefield (“CWK”). This report is for informational purposes only and may contain errors or omissions; the report is presented without any warranty or representations as to its accuracy.

Nothing in this report should be construed as an indicator of the future performance of CWK’s securities. You should not purchase or sell securities—of CWK or any other company—based on the views herein. CWK disclaims all liability for securities purchased or sold based on information herein, and by viewing this report, you waive all claims against CWK as well as against CWK’s affiliates, officers, directors, employees, agents, advisers and representatives arising out of the accuracy, completeness, adequacy or your use of the information herein.