MARKETBEAT
SOFIA
INDUSTRIAL Q3 2026



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MARKET FUNDAMENTALS

	YOY Chg	12-Month Forecast
0.58% Vacancy Rate	▼	▲
64,393 Gross Take-up, sq m	▲	▬
€6.00 Prime Rent (>10,000 sq m) *(Overall, Net Asking Rent)*	▲	▲

ECONOMIC INDICATORS

	YOY Chg	12-Month Forecast
2.8% GDP Growth Q2 2026	▼	▬
5.6% HICP Sep. 2026	▲	▼
27.3% Value of imported raw materials Q2 2026	▲	▲
6.9% Value of imported consumer goods Q2 2026	▲	▲

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

POSITIVE GDP OUTLOOK FOR Q3

Bulgaria entered the second half of 2026 with a good pace, having achieved 3% and 2.8% real GDP growth in Q1 and Q2. The most recent output data shows that the economy is likely to maintain similar tempo in Q3.

Production growth exceeded 5% in the services sector in July with expansion reported across most categories. Especially notable was growth in information and communication activities and transport and logistics.

The mixed performance of the industrial sector also continued into July and August. Production narrowed in mining and manufacturing. In the latter, output was down across most categories like intermediate goods, consumer goods and investment goods. On the positive side, production of energy goods was up in double digits and output in construction was strong, particularly in civil engineering and buildings.

Domestic trade results for July and August were also mixed. Wholesale volume kept on declining while retail volume climbed higher. Importantly, retail growth was solid both in food and non-food categories.

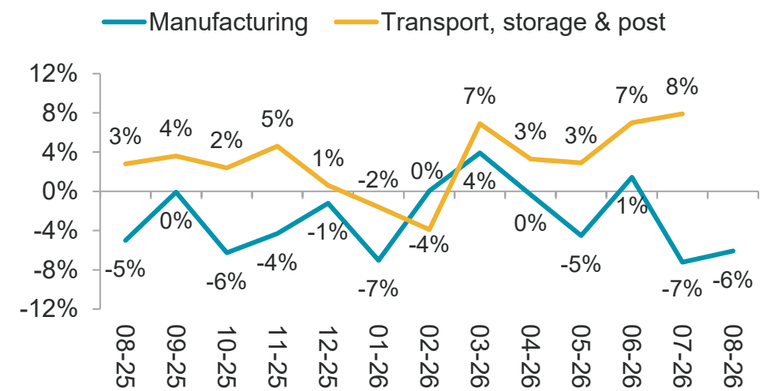
Inflation of 5.6% y/y in September was the most concerning economic issue. It reflects the open trade policy of the country and the fallout from of the multiple conflicts in the Middle East that push energy prices higher.

DEMAND FOR LEASED SPACE STAYS ABOVE AVERAGE

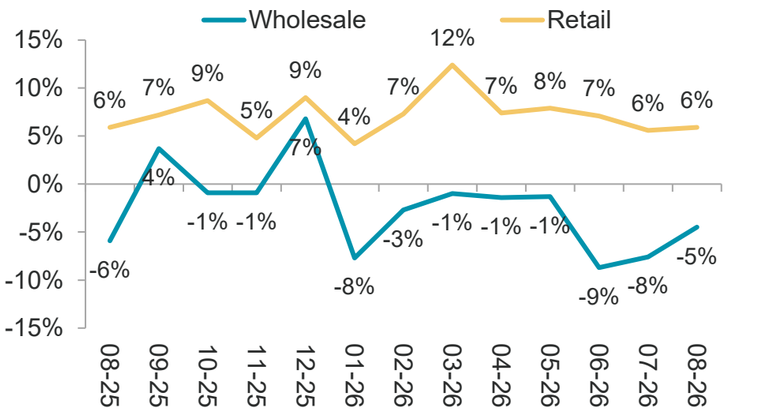
In the first nine months of 2026, gross logistics and light industrial take-up in Sofia amounted to 185,000 sqm, up 108% compared to the same period in 2025. In Q3 2026 alone, gross take-up stood at 64,393 sqm, down 11% q/q and up 63% y/y. The latest quarterly take-up included some 30,481 sqm of logistics space built for own use and 33,912 sqm leased to tenants. The latter was above average quarterly lease volume for the past five years.

The breakdown of the leased volume in terms of types of contracts signed in Q3 included renewals for 10,500 sqm, standard relocations for 15,763 sqm, and expansions for 7,649 sqm (of which 1,769 sqm were pre-leases). Within the Sofia city limits, contracts were signed in facilities along bul. Tsarigradsko Shose, Botevgradsko Shose, and the airport area. Out of the city, contracts were signed in Bozhurishte and Chelopechene.

BULGARIA PRODUCTION INDICES % Y/Y (wd adj.)



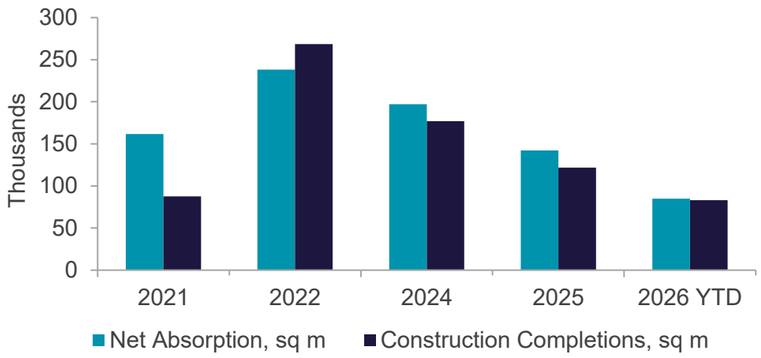
BULGARIA VOLUME OF SALES % Y/Y (wd adj.)



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SPACE DEMAND / DELIVERIES



SELECT PROJECTS EXPECTED IN THE NEXT 12 MONTHS

PROPERTY	GLA (SQ M)
CTP Sofia East - SOE 2	34,000
CTP Sofia East - SOE 3	13,000
CTP Sofia East - SOE 4	21,000
Dormakaba (Elin Pelin)	22,000
Sofia Airport Center (B4)	5,300

OVERALL VACANCY & PRIME ASKING RENT



From an economic sector perspective, wholesale firms took 42% of gross take-up (27,134 sqm). Transport and logistics companies came second with 23% of the volume (14,500 sqm), followed by retailers with 9% (6,000 sqm), manufacturers with 5% (3,347 sqm), and others with 21% (13,400 sqm).

NEW SUPPLY AT ITS HIGHEST IN FIVE QUARTERS

Newly completed logistics and light industrial space in Q3 2026 amounted to 30,481 sqm, the highest in the last five quarters. The volume included three projects, all for own use. Evromaster, a leading importer and wholesaler of electric and pneumatic instruments, completed its new logistics base (20,000 sqm) in Kostinbrod. Diana Tires, an importer and wholesaler of auto tires, completed a warehouse facility (7,300 sqm) on Botevgradsko shose. Finally, Bibendum, the importer and wholesaler of wine, completed a warehouse facility (3,300 sqm) in Economic Zone Bozhurishte. Unfortunately, none of these projects would help alleviate the shortage of space for lease in Sofia.

The total stock in and around the city increased to 2,435,000 sqm by the end of September 2026. This included facilities with 1,613,000 sqm of GLA for own use and 822,000 sqm for lease. At the end of Q3, the vacant space amounted to just 14,139 sqm or 0.58% of the total stock. This space was spread across warehouses in Economic Zone Bozhurishte and Ravno Pole (both out of the city), and in suburban properties along Botegradsko Shose, Lomsko Shose and the Ring Road.

Ongoing construction works would partially alleviate the shortage of warehouse space for lease in Q4 2026 and Q1 2027. Three CTP facilities with gross leasable area of almost 70,000 sqm are set for completion, even if a sizable part is already pre-leased. The total volume of ongoing construction work amounted to 262,000 sqm at the end of September. Some 166,000 sqm of these are scheduled for completion within the next 12 months. Importantly, 11 new projects for a total of 44,000 sqm were started in Q3, which is a significant uptick in development activity.

An interesting trend is emerging in Sofia and Plovdiv this year. It involves the development of warehouse and light industrial projects with relatively small modular units (200-2,000 sqm) intended for sale. Such units could be used for warehouse, workshop or showroom purposes and target small businesses. These projects have shorter implementation timeline and appear along key roads and highways, or in proximity to large industrial hubs.

RENTS RISE

Leasing conditions in Sofia favored landlords. Prime asking rents for Class A logistics space (10,000+ sqm) edged up to at €6.00/sqm per month (excluding service charges and other expenses). Price levels tend to decline in locations further away from the city. For example, in Ravno Pole rents for 1,000 to 2,000 sqm of warehouse space were in the range of 5.50 to 5.80/sqm, and in Bozhurishte rents were in the range of €5 -5.50/sqm.

FEWER HIGH-QUALITY ASSETS BOUGHT, DESPITE GREATER NUMBER OF TRANSACTIONS

Investments in logistics and light industrial facilities in Bulgaria amounted to 35 million euros in the first nine months of 2026, according to preliminary data. This volume compares to 53 million euros in the same period of 2025. The y/y difference mostly reflects fewer acquisitions of high-quality assets. Some 17 facilities with a total GLA of 62,000 sqm have changed hands so far in 2026, compared to 10 facilities with GLA of 65,000 sqm last year. Among the transactions year-to-date, six were for own use and 11 were intended for lease.

The invested capital in 2026 was entirely of domestic origin. Prime yields for logistics and light industrial facilities remained unchanged at 7.25%.

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MARKET STATISTICS

SUBMARKET	INVENTORY (SQ M)	OVERALL VACANT (SQ M)	OVERALL VACANCY RATE	CURRENT QTR GROSS TAKE-UP(SQ M)	YTD GROSS TAKE-UP (SQ M)	UNDER CNSTR (SQ M)	CURRENT QTR CNSTR COMPLETIONS (SQ M)	PRIME RENT (SQ M)	PRIME YIELD (%)
Sofia	2,434,872*	14,139	0.58%	64,393	185,459	261,998	30,481	€6.00	7.25%
TOTAL	**2,434,872***	**14,139**	**0.58%**	**64,393**	**185,459**	**261,998**	**30,481**	**€6.00**	**7.25%**

** Stock data is subject to quarterly review and revision.*

KEY CONSTRUCTION COMPLETIONS YTD 2026

PROPERTY	SUBMARKET	MAJOR TENANT	SQ M	OWNER / DEVELOPER
Logistics Center	Kostinbrod (Out of city)	Own use	19,900	Evromaster
Warehouse facility	Sofia suburbs	Own use	7,300	Diana OOD
Industrial Park Sofia - East – Bldg. 7	Elin Pelin Out of city	Speculative	13,807	Park Industria Sofia Iztok
Production & warehouse facility	Sofia suburbs	Own use	10,825	Aero Technik BG
Production & warehouse facility	Sofia suburbs	Own use	7,599	Rosi OOD
Production & warehouse facility	Sofia suburbs	Own use	5,490	Fortex Neutraceuticals
Warehouse & offices	Sofia suburbs	Own use	4,870	Sholmo Shori

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