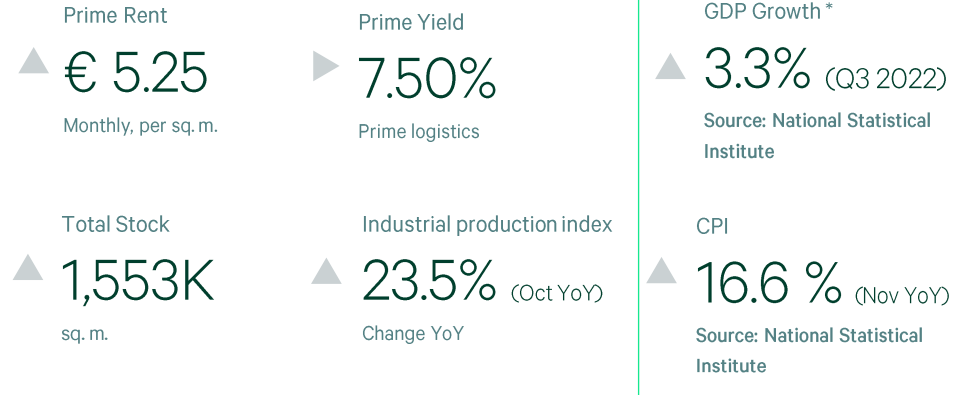


Bulgaria - Sofia

KEY PERFORMANCE INDICATORS (H2 2022)



MARKET TREND (Stock Development | Existing stock | New supply)



Activity has remained focused in the Sofia area, with numerous completed projects in the second half of the year. Still, these have been majorly delivered for owner occupation purposes. Firstly, two notable completions in the third quarter include the delivery of a Fresh and Frozen storage and an American Popcorn storage, located in Sofia and its greater area respectively. Secondly, there were a few completions in the final quarter of the year as well. The furniture retailer JYSK has completed the second phase of its distribution warehouse in Bozhurishte in the Greater Sofia area. Furthermore, a Transpress Service distribution warehouse has been completed. The facility is situated in Bozhurishte Industrial Park in Sofia and it is the largest logistics base of Transpress so far. Furthermore, Smart Organic has gotten a production facility in Sofia. In addition, BA Glass has been completed as well. Lastly, Ozone's distribution warehouse has been added to the industrial stock in Elin Pelin.

Pipeline for the industrial sector has remained strong, with a few announced projects in the fourth quarter. The constructions of two projects have commenced in Sofia, namely Sin Gaz EOOD production facility and Sunotec Property OOD logistics centre. Moreover, Sunotec multifunctional logistics centre will be located in Hadzi Dimitar – Malashevtsi area. Additionally, there are a few projects which were announced prior to the fourth quarter. Some of these include the first phase of Zora-MMC Logistics park, which will be completed in Bozhurishte. The first phase is expected for delivery in 2023. Additionally, CTPark West SOW1, which is located on Lomsko Shosse boulevard will be situated adjacent to major residential areas of Obleya, Nadezhda and Lyulin. In addition, construction of SOW2 within the same industrial park recently started. Also, in eastern city area, SOE1 within CTPark East is ongoing scheduled for completion in the following 12 months.

Demand is expected to continue increasing due to global events and current market needs. Namely, along with traditional demand drivers, e-commerce, which has continued to gain pace, has hugely impacted the logistics sector as well. As regards the vacancy rate, it currently stands at below 2% and there are no prospects for significant increase in the forthcoming period, despite the fact that completions of some speculative projects are expected in the following year.

Rental levels have remained stable throughout the second half of the year, equaling EUR 5.25 / sq. m. / monthly. However, owing to the inflation hikes, rental levels are noting upward pressure and may face increases in the near term.

<p>Boško Tomašević</p> <p>Managing Director +381 11 735 0015 bosko.tomasevic@cbre.com</p>	<p>Sladana Popović</p> <p>Country Head Bulgaria +359 88 402 9952 sladjana.popovic@cbre.com</p>	<p>Jana Jovanović</p> <p>Head of Research SEE +381 11 735 0041 jana.jovanovic@cbre.com</p>
--	---	---

© Copyright 2022. All rights reserved. This report has been prepared in good faith, based on CBRE's current anecdotal and evidence views of the commercial real estate market. Although CBRE believes its views reflect market conditions on the date of this presentation, they are subject to significant uncertainties and contingencies, many of which are beyond CBRE's control. In addition, many of CBRE's views are opinion and/or projection based on CBRE's subjective analyses of current market circumstances. Other firms may have different opinions, projections and analyses, and actual market conditions in the future may cause CBRE's current views to later be incorrect. CBRE has no obligation to update its views herein if its opinions, projections, analyses or market circumstances later change.