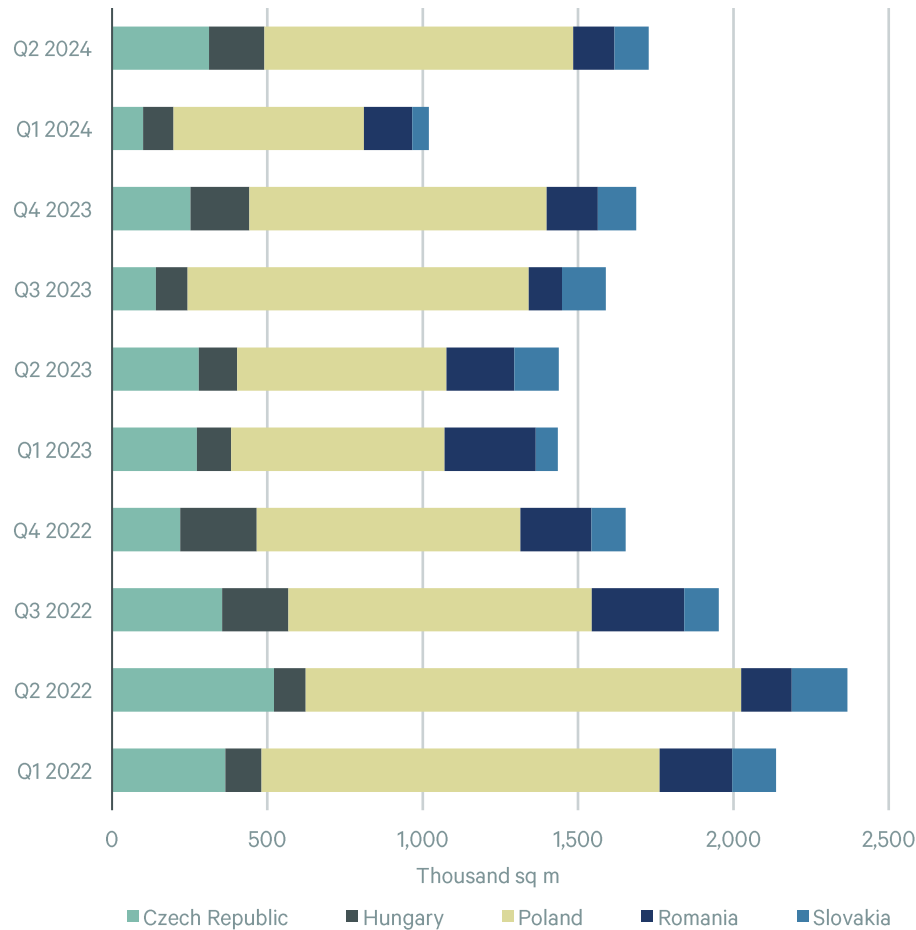


CEE Industrial & Logistics Market Figures

QUARTERLY TAKE-UP DEVELOPMENT



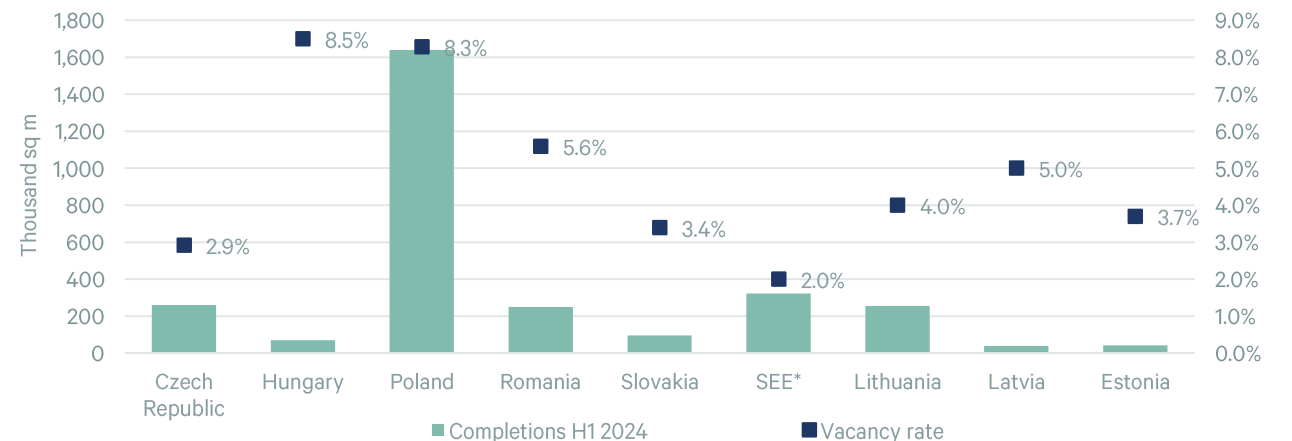
Source: CBRE, Q2 2024

After slower beginning of the year, the industrial and logistics market in CEE seems to pick up, following the similar tendency in whole Europe. When taken into account collectively, Central and Eastern European markets take the second spot among European markets' supply after Germany, amounting to 73.4 m sq m (61.6 sq m in CEE-5), which corresponds to a 10% growth year on year.

In H1 2024, new supply in CEE amounted to 2.97 m sq m, 26% less than a year before. Out of new stock, the largest part was completed in Poland – 1.6 million sq m which stood for 55% of the total completion level in CEE. A relatively large amount of new supply was delivered in Czech Republic (260 thousand sq m), Lithuania (255 thousand sq m) and Romania (250 thousand sq m). Currently space under construction amounts to 4.5 million sq m in CEE-5, which is less by 10% than after Q2 2023. Taking into account higher vacancies on some markets, but also an intensified demand, the overall pipeline should remain on the similar level throughout the rest of the year.

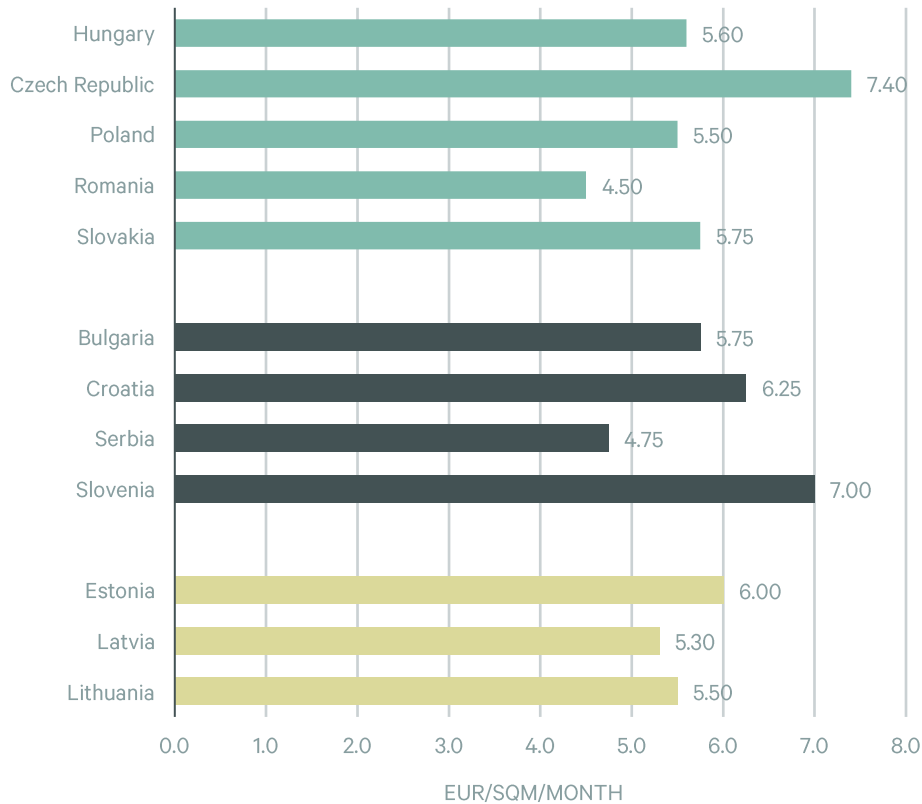
The vacancies invariably tend to have an increasing trend in all CEE countries. Despite the 1.3 pp increase y/y, Czech Republic's vacancy remains the lowest in the main CEE-5 markets – 2.9%, while SEE region vacancy rates are estimated at ca. 2%. Slovakia, Romania and the Baltic countries' vacancy rates range between 3-6% with all of them representing a slight growth from quarter to quarter. Among the region, the highest vacancy rates can be found in Hungary and Poland with vacancy rate over 8%, in both countries also noting a marginal increase compared to Q1 2024. However, as the total pipeline volume is now lower than in analogical period last year, the vacancy rates are not expected to increase significantly in coming months.

COMPLETIONS AND VACANCY RATE



*vacancy rate estimation for SEE
Source: CBRE, Q2 2024

INDUSTRIAL AND LOGISTICS PRIME ASKING RENTS IN Q2 2024 (EUR/SQM/MONTH)



Prime rents refer to the highest available asking rents in the best-in-class properties available on the market for lease.
Source: CBRE, Q2 2024

In Q2 2024, take-up in CEE-5 amounted to 1.7 m sq m which is a result not seen for over a year, it is an increase of 20% compared to Q2 2023. Taking into account the period since the beginning of the year, take-up in CEE-5 amounted to 2.7 m sq m, and even with very good Q2 results, compared year on year it was a 4% decrease, as the Q1 2024 was the weakest quarterly take-up result for many years. The second quarter results allow to look on the market with more positivity. In H1, Poland was responsible for 59% of the take-up result, followed by Czechia (15%), Romania (11%), Hungary (10%) and Slovakia (6%).

Prime headline rents are currently stable. When comparing prime rental levels y/y, on the largest market such as Poland, the prime rents were stagnant, while in Czech Republic prime rent corrected slightly (-2%). The rental growth on the smaller CEE markets came with a time delay compared to the significant growth observed in Western Europe in 2022/2023. The most significant upwards change was observed in Slovakia (0.45 EUR, difference compared to Q2 2023). Comparing to the last quarter, there was no upward change on any market. The highest prime rents despite the decrease are invariably present in Prague – Czech Republic, reaching 7.4 EUR/sqm/month in best assets. The most attractive lease conditions for tenants in terms of rental costs are offered in Bucharest – Romania, where the prime rents are at 4.5 EUR/sqm/month.

DEFINITIONS OF MARKET COVERAGE

CEE-5 – Czech Republic, Hungary, Poland, Romania, Slovakia; leasing activity data are available

CEE – CEE-5 + SEE countries (Bulgaria, Croatia, Serbia and Slovenia) + Baltics (Estonia, Latvia, Lithuania)

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