

Bratislava offices in facts and numbers



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BRF consists of three estate-consultant companies - Cushman & Wakefield, CB Richard Ellis and Colliers International that aim to offer exact and transparent data on OL in the capital of Slovakia. All three members have involved themselves longer time in the estate market in Warsaw, Prague and in Moscow. Approximately half year ago they started in Bratislava - each organisation had adjusted its own data, thus they were needed to be joined and to define basic terms afresh. They had to search at surrounding cities and to achieve standardised data by comparative method.

Definitions, criteria, standards

First and basic definition is what total volume of OL (Stock) offer means. Objects commissioned after year 1993 are in question - either reconstructed or built newly, in standard A or B. State owned buildings and smaller than 800 m² are not a part of the total OL volume. This definition is approached according to two criteria: how much the interested party is willing to pay and which type of lessee predominates in the concerned city zone - in the city centre for example.

Most - approximately 47 percentage of OL is offered by inner city now, least - 23 percentage outer city (chart n° 1). Old City (1) and Ružinov (2) dispose together 77 percentage from the OL total volume of metropolis (chart n° 2), in optic of traditional division of Bratislava into five districts, which are however diversified good deal. Whereas first district is predominantly covered by B class and reconstructed OL, the structure of potential lessees and OL look differently in the second district, which by the way has the most of OL in Bratislava. And similarly: whereas the third district disposes plenty of newly built rooms, the forth one is the most weak in this point of view. As far as prognoses are concerned, the most growth of OL is expected in the fifth Bratislava district - Petržalka, along with the above mentioned second one, which developers „found“ literally several years ago.

Although criteria for OL classification to classes are different on an estate market of every region, some similarity has to be kept pursuant to BRF, in order everybody understand it on international forum. For example classifying building to standard A includes everywhere fulfilling above-standard criteria as integrated climate system, limited depth and high flexibility of rooms, ground clearance minimally 2.75 m, boshes for subscriber line, electricity and data cables, doubled floor, reception, covered car access, lifts, spare energy sources or entrance for immobile persons. BRF revealed several cases just in Bratislava, when OL were presented as „A“, but they did not fulfil required criteria in reality.

„Tariff sections“, volumes of transactions, range of disengagement

Since year 2008 beginning totally 176 683 m² of new OL have been finished. Most of them have grown in the city district Bratislava 2 (Apollo Business Center II with actual offer of 55 402 m², commissioned recently) followed by Bratislava 3 (Slovenská sporiteľňa headquarters involving 24 000 m²). Inasmuch as prices are in concern, particular „tariff sections“ are differentiated pursuant to urban rings. The highest rental in the centre varying from 19 to 20 € / m² / months, and it remains on the level from 12 to 14 € in the inner part of the city, whereas in the outer parts it remains approximately in the range from 9 to 12 €.

Transactions closed during Q3 achieved the acreage of 17 000 m², what represents reduction by 40 percent in comparison with previous quarter. Most - almost 40 % hereof was closed in the city district Bratislava 5, followed by Bratislava 2 and 3. Companies from financial and bank sector dominated hereof, followed by production, building and professional services. Totally 77 000 m² of OL were rented during first three quarters. These approximate numbers do not content free rooms, which remains in the offer. Rentals by Dalkia (3 500 m²) and Lenovo (3 000 m²) in second phases of Digital Park (Bratislava 5) represented the highest transaction in monitored quarter. Kone company occupied 2 500 m² in Lakeside Park - Phase I (Bratislava 3)

As Tomáš Krčula (Colliers International) notified, it is necessary to look at the range of disengagement of OL in Bratislava hereby, that achieved the value of 8.1 percentage in the third quarter of year 2008. The lowest disengagement was noticed in districts 2 and 4, middle involving 22 000 m² in the Bratislava 3 district and absolute „winner“ with the highest disengagement is Bratislava 2, where more than 44 000 free m² were offered.

Bratislava - Central Europe favourite

The number 1.16 m² is key number in case of the capital of Slovakia, that covers class A and B plus reconstructed rooms. If compared with OL inventories of other post communist metropolis - Warsaw 2.96, Budapest 2.06 and Prague 2.41 mills. m² (chart n° 3) - just Bratislava results as relative favourite of the Central Europe in proportion to its smallest size, or number of inhabitants res.

For the question how BRF representatives explain themselves that fact, they answered that primarily by high number of commuting peoples from vicinity, what is result of remaining high lack of flats. Approximately 40 thousand of them debouch at Bratislava main railway station every day! Mathematically taken, Slovakia metropolis has incredible chance to saturate market with OL thanks of Vienna vicinity and low tax imposes (dividend tax non-existence). However, it is necessary to specify, that Bratislava has higher fraction of „B“ rooms compared with Prague or Budapest from ratio of A and B categories point of view.

Rentals will become dearer aside from crisis

Because prices for OL renting were undervalued long term here, according to BRF, they are to be re-evaluated. Whereas one m² cost 10 to 11 € half year ago, it is already 12.5 to 13 € currently and further growth is expected by app. 10 percentage. Space for the growth still exists here - contrary objects and grounds. Also in spite global financial crisis or newest trend, when market of seller is changing to market of buyer, who starts dictate conditions. It is assumed, that strong local developers as J&T or HB Reavis will be closing further acquisitions.

For the question, how it is possible to speak about rental prices growth on one side, when nobody knows the height of current world-wide crisis amplitude on other side, Andrew Thompson (Cushman & Wakefield) argued, that Slovakia still has high gross domestic product and employment growth, accompanied with demand for OL. He also sees its possessiveness in cleaned up asset markets, because during last 4-5 year period most of local developers had speculative nature.

However, nobody is immune face-to-face crisis. OL market is very specific, because from original idea to its final realisation long time flows normally. Whereas taking the hypothesis into account, that offer will not exceed demand, prices will sure grow. At worst case further projects will be stopped, but nobody would stop ongoing ones. In the centre of the city will always remain grateful space for developing projects of smaller range, pursuant to BRF analyses.

Illustration visualization - J&T (being prepared project Panorama City)

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