

Industry & logistics: construction at a standstill, leases recovering

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Despite this positive factor there has been no expansion of industrial and logistics space for rent in Slovakia in the third quarter. An analysis prepared by Cushman & Wakefield - leader of global surveys in the commercial real estate sector - shows that in terms of construction, stagnation continues in the Slovak market continues.

Turnkey construction for particular tenants

Similarly to the third, also in the second and first quarters, no new modern storage or production space for lease was built. C & W does not expect a change in the market situation before the end of 2010, they last recorded such construction in the third quarter of 2009.

Speculative construction is not expected either, there would have to be at least 50 % of the built halls pre-leased. "The property developers may decide whether they will build larger spaces that their contracting tenant needs and thus expand also the first speculative space for lease," illustrates Martin Baláž from C&W.

On the contrary - the expected market trend is turnkey construction for particular tenants. "If we consider the time necessary for getting a building permission and the actual construction, we expect the first turnkey spaces for particular tenants to be built only in the 2nd or 3rd quarter of 2011," estimates Baláž.

At the same time there is a slight increase in the rents of logistics areas. As C&W materials show, a total of approximately 21 thousand sqm were leased during the monitored period. This is an increase, compared to the first and second quarters of 2010, lowering the vacancy rate to 5.9 % for the entire Slovakia and to 5 % for the Bratislava region.

The largest transactions in 2010, where C&W participated, were leases of storage space for the companies Movianto and Dráčik in Senec.

Numerous projects also in other regions