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# INVESTMENT GUIDE

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Prices:  
Euro zone: €10.00  
Poland: PLN 35 (incl. Tax)  
Czech Republic: CZK 257  
Hungary: Ft 2530  
Ukraine: \$10.00  
Slovakia: SK 318  
Russia: \$15.00  
United Kingdom: £ 3.50  
Romania: Lei 39  
USA: USD 15.00

CHANGE	NET %	INDEX	INDEX
16.71	▲ 1.26%	1,348.34	1
7.98	▲ 0.20%	3,972.88	2
0.52	▲ 0.59%	48.58	3
5.34	▲ 0.35%	1,532.13	4
6.52	▲ 1.23%	536.84	5
2.06	▲ 0.29%	712.65	6

Covering: CEE - Poland, Hungary,  
Czech Republic, Slovakia, Austria, Slovenia and the Baltic  
SEE - Bulgaria, Albania, Macedonia, Croatia, Romania,  
Serbia, Montenegro  
CIS - Russia, Ukraine, Kazakhstan,  
Caucasus - Georgia, Armenia & Azerbaijan

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# Slovakia going green with key projects ripe for investment

Craig Smith

President and Founding Partner of IN-VI Investment Vision AG, Guy Perry, is heading up the design on two major green projects in Slovakia. The first being the Centrop Project in northwest Bratislava on the side of the strategic motorway from Bratislava to Prague (D2) with direct connections to Vienna and Budapest and also to central and eastern Slovakia. It is heralded as one of the largest development projects in Central Europe.

Centrop has been described as a new, comprehensive satellite-like city community, which will be built in green fields with its own town centre, residential buildings, offices, shopping centres, social amenities to serve both the new city and the broader area, and with a great potential for recreational and sporting activities. The project's development area is approximately 600 hectares.

Advantages of the site include excellent strategic access to Bratislava city centre, a direct connection for the motorways to Prague, Vienna and Budapest (and a planned direct connection to Vienna via a northern bypass route Trnava – Záhorie – Vienna), an excellent natural environment within reach of the protected nature area of the Small Carpathian mountains, an ideal environment for light industry and services to support the nearby Volkswagen automobile factory, a potential for 50,000 residential units – both apartment buildings and individual family houses. The developer on the project is Reform Capital and is headed up by Mr. Martin Drážský.

The second project is AquaTethys, the first Cenozoic ocean spa in Slovakia, developed by Magma Zafir and currently looking for an initial €50 million with total investment running close to €500 million. The spa is

*Bratislava's landmark city centre project is Eurovea, being developed by Ballymore*



*Guy Perry, IN-VI's President and Founding Partner, is working on two projects in Slovakia*

located between Bratislava and Budapest and sits on 300 hectares. Zoning is already secured and three wells have already been completed. There is a wide range of hotels, residential, sport and camping facilities in the plan with a railway station already constructed.

Bratislava's landmark city centre project is Eurovea, being developed by Ballymore, a state-of-the-art multi-functional riverside development in the Slovak capital. Combining the most sophisticated office, residential, leisure and retail components, and taking full advantage of its prime Danube riverside location, Eurovea is not just transforming Bratislava's skyline, it is creating a brand new dynamic destination for people living, working and shopping throughout the area.

In line with its construction progress, Mike de Mug, Retail Director for Ballymore, commented "We're absolutely confident that the development's retail and leisure component will be 100 percent leased upon opening, with only 15 vacant units remaining, out of a total 180 units, we have both Ballymore's in-house leasing team together with Cushman & Wakefield working on finding the right tenants for the last units."

Another landmark building complex, developed by HB Reavis, and completed in December 2008, is the Apollo BC II. Its complex of six buildings is situated in the main Bratislava office zone, which is created by three streets, Prievozská, Bajkalská and Dostojevského rad. Along with the high standard of its office premises, Apollo BC II also offers many services for its tenants as well as those of the citizens living nearby. The complex also includes a self-service catering facility, pizzeria,



*Apollo Business Center II delivered in December 2008 and developed by HB Reavis*

coffee-bars, bank branches, shops and a fitness centre. The immediate surroundings of the buildings are surrounded by greenery and a park. The GLA is 81,432 sqm with office being 71,884 sqm and retail 6,649 sqm.

According to CB Richard Ellis, by the end of Q2 2009 modern office stock reached ca. 1,233 million sqm. The distribution of modern office stock by location at the end of Q2 was: City Centre submarket (29 percent), with a 7.4 percent vacancy rate - Inner City submarket (48 percent), with a 15 percent vacancy rate - Outer City submarket (23 percent), with a 9 percent vacancy rate.

Newly-built schemes account for 69 percent of the total stock, with refurbishments comprising 31 percent of the total stock. By the end of Q2 2009, Class A office buildings represented 61 percent of the total stock.

Supply consisted entirely of new built schemes for the third quarter in a row, with no refurbishments being completed. In Q2 2009 total stock increased by 39,000 sqm of modern office space in one project - Digital Park II developed by Penta. This is an increase of 24 percent q-o-q and a decrease of 28 percent y-o-y.

Office demand in Q2 2009 came to approximately 16,500 sqm, which is a decrease of 40 percent compared to the same period of last year, making leasing activity in the first half of 2009 slower by 34 percent y-o-y. A total of 32 transactions were signed in Q2 2009, which is in line with the quarterly average (34.75) over the last year.

The average deal size fell to 500 sqm, decreasing by 26 percent q-o-q. The median take up size for Q2 2009 was 262 sqm. The significant difference between median and average deal sizes demonstrates that smaller transactions continue to make up a larger proportion of total transactions in the office market. ■

## PROMINENT PRIBINA GALLERIA IN DOWNTOWN BRATISLAVA FIRMLY ON SCHEDULE

Pribina Galleria, the retail & leisure component of Ballymore's EUROVEA, being developed on the river bank of Bratislava's historic city centre, is gradually nearing completion. In excess of 1,500 construction workers are currently completing the interior finishes and the substantial hard and soft landscape areas of a district that is destined to become the new commercial hub of Bratislava. "With approximately 6 months to go, we are pleased that 90% of the construction works of Pribina Galleria have been completed and that the first anchor stores have been handed over to their tenants," stated Simon Johnson, Construction Director for EUROVEA. In line with its construction progress, Mike de Mug, Retail Director for Ballymore, commented to be "absolutely confident that the development's retail and leisure component would be 100% leased upon opening, with only 15 units left to be leased out of a total of 180 units, and both Ballymore's in-house leasing team together with Cushman & Wakefield are working on finding the right tenants for the last units."

EUROVEA is not just transforming Bratislava's skyline, it is creating a brand new dynamic destination for people living, working and shopping throughout the region. Ballymore is an international property developer which combines scale with focus. The company's approach is based on a combination of established local experience in the markets in which it operates, alongside a consistent vision and international development expertise.



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