

Title: SUPPLY OF INDUSTRIAL REAL ESTATES TOO LOW

Summary: Industrial real estate market keeps developing but supply is still too low to fulfill demand and prices are getting higher and higher. Modern industrial buildings in Bulgaria are usually built by companies that own the plots and use it for their needs. Companies that do not own plots and need some have to rent but prices are normally too high. Trade chains stimulate development of the sector because warehouses are part of their delivery system. Big trade chains in Bulgaria build their distribution centers by themselves (e. g. Kaufland). Demand is more than supply, especially after launch of EU requirements. Rents vary between EUR 3.8 and EUR 5.5 per sq m a month and are expected to remain the same till end of the year. However, there are still no big projects that are not intended for particular tenants. Some smaller centers will be built near the airport by Austrian Soravia and Spanish Ubbicalia. Business Park Sofia by US company **Tishman International** will also be placed near the airport and will have around 22 000 sq m warehouses, including offices. First phase of the project includes construction of 50% of the buildings during next 1.5-2 years.