Colliers

Sofia

Industrial & Logistics Market Overview

H1 2025

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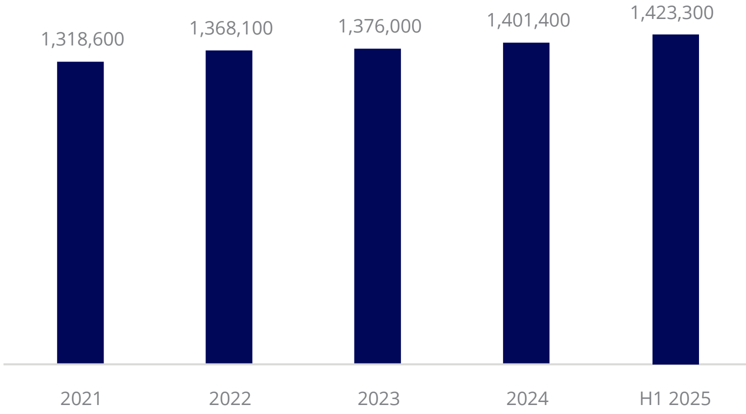
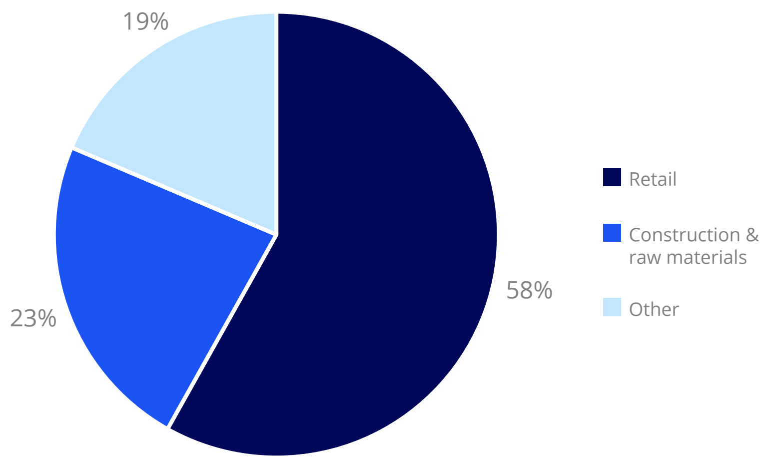
Fig. 1: Industrial and logistics space (sqm)



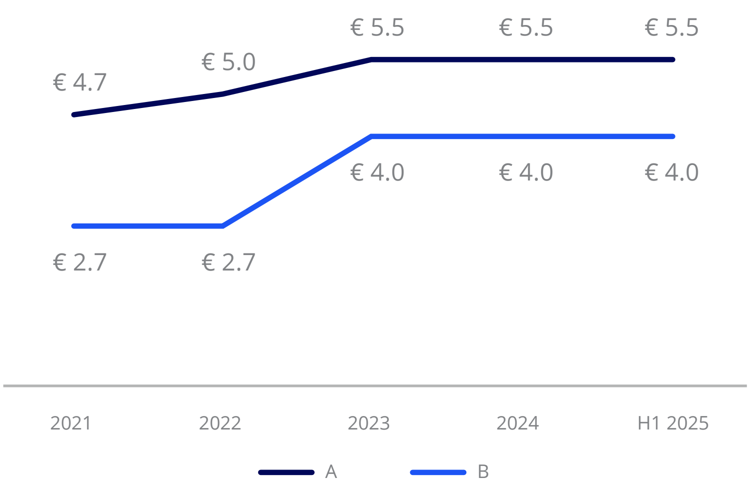
Source: Colliers

Fig. 2: Demand by sectors



Source: Colliers

Fig. 3: Average asking rental rates (EUR/ sqm/ month/ without VAT)



Source: Colliers

Highlights

- By mid–2025, the available Class A and B industrial and logistics space for speculative leasing in Sofia is 1,423,300 sqm. Compared to the end of the previous year, it has increased by 21,900 sqm. (Fig.1)
- During the observed period, logistics and 3PL* operators – traditional demand drivers, were not active and most of the space was leased by companies in the retail sector (58%), followed by construction firms (23%), mirroring the strong activity in these market segments. (Fig.2)
- Gross take–up amounts to 8,600 sqm. In comparison, the occupied areas in the first half of 2024 exceeded 44,250 sqm. Of the H1 2025 volume 81% is new demand, while the remaining 19% comes from renegotiation or extension of existing contracts.
- Class A and B space under active construction in Sofia is 157,300 sqm, with 45% of it concentrated in several buildings within a single project.
- By mid–2025, the share of vacant space in Sofia stands at a record low level of 2.1%.
- Rental rates remain unchanged at an average of EUR 5.50 per sqm per month for Class A warehouses and around EUR 4.0 – for Class B (Fig. 3).
- Service charge continues to be in the range between EUR 0.8 – EUR 1.5 /sqm /month.

Forecast

- Chinese investor interest in Bulgaria is expected to increase in the coming years. While Chinese capital has so far been more active in Serbia and Greece, our country has the potential to become more attractive, thanks to its strategic location and full Schengen membership.
- Central and Eastern European (CEE) countries are gaining relevance in new global supply chains, due to their proximity to Western Europe and competitive prices. The trend of reshoring and nearshoring from Asia to Europe continues to drive demand for logistics and manufacturing space. Bulgaria, as part of CEE, is also expected to be considered as a possible location, especially after its accession to the Schengen area.
- The importance of sustainable construction and ESG standards is growing, particularly in CEE, where the number of certified green buildings is rapidly increasing. Although Bulgaria still lags in adoption, this is expected to change as demand for energy–efficient and certified spaces grows.
- High rental levels in modern logistics projects are prompting companies to look for older Class B or C warehouses at more affordable prices. Many of these properties are located within the inner ring of Sofia and offer a viable alternative for businesses with budget constraints or specific requirements. This trend is expected to continue, as users are willing to compromise on quality for lower rents.
- Stabilizing construction costs and declining interest rates create a more favorable environment for new logistics investments in Sofia. Projects that were postponed in 2022–2023 due to high development prices are now expected to move forward from the planning stage to active construction.
- Over the past year, land prices for logistics purposes have seen a significant increase. The main reason for this is the growing demand from both investors and companies planning to develop their own warehousing facilities.
- E–commerce penetration in Bulgaria is still at one of the lowest levels in CEE. There is potential for development, which will increase demand for warehouse space.

Definitions:

* 3PL (third party logistics) operator – third party, which handles the execution of the logistics processes of the tenant as an outsourced service

For more information

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