REPORT 2024

COMMERCIAL REAL ESTATE MARKET

SLOVENIA

FORT VEGA

AUGUST 2025

FORT VEGA

INTRODUCTION

Maja Lavrič
Director

Our multidisciplinary team brings together deep knowledge in real estate, finance, law, construction, and engineering. With each member boasting over two decades of hands-on experience in these fields, we deliver integrated and balanced advisory services.

We develop alongside our clients, supporting them at every stage of complex acquisitions, disposals, leasing arrangements, valuations, and project due diligence.

Drawing on our role as a reliable strategic partner, we have compiled this market report to offer our expert analysis and deliver a concise, authoritative view of the latest market trends and dynamics.

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Economic overview

Market overview

In 2024, the Slovenian commercial real estate market experienced a slowdown compared to previous years, primarily driven by weaker economic growth and reduced international trade activity. According to European Commission forecasts, Slovenia's GDP growth decelerated to 1.6% by year-end, impacting multiple real estate segments. Inflation stabilized at 1.9%, while declining interest rates created slightly more favourable conditions for investment activity.

Commercial real estate

Overall market liquidity declined in 2024. In the office segment, transaction volumes decreased; however, demand for modern, sustainable office space - particularly in Ljubljana remained strong. Retail properties faced increased pressure, reflected in lower transaction and leasing activity, although investments in new shopping centres continued. The industrial segment proved more resilient, with rising transaction activity driven by sustained demand for warehouse and logistics space.

Future trends

The limited supply of high-quality, modern, and recently developed properties - particularly within the industrial sector remains a key market challenge. Despite broader market pressures, the hospitality and tourism real estate segment remains stable, supported by continued growth in tourist arrivals. Looking ahead to 2025, the commercial real estate market is expected to remain under pressure; however, cautious optimism persists in segments benefiting from new, sustainable developments, particularly office and industrial real estate.

Logistics & Industrial

The industrial real estate market remains one of the most dynamic segments, accounting for approximately 55% of the total commercial real estate stock in Slovenia. A large share of existing space is owner-occupied, which significantly limits the availability of properties for lease. Approximately 70% of the industrial stock is outdated, having been developed prior to 2000.

In 2024, demand remained strong, particularly for new and modern warehouse facilities, which continue to be in short supply. ESG standards are playing an increasingly important role in shaping new developments. Following a period of sharp price growth, the market has stabilized over the past year.

21.7M m²
Stock

5.5 €/m²
Lease SLO
7.0-7.5 €/m²
Lease LJ

8.0-10.0 €/m²
Lease class A
in LJ

Source: GURS and in-house calculations

Trends observed in 2024 are expected to continue into 2025. Rental levels are likely to remain elevated, while new construction activity will stay limited. ESG-compliant buildings are increasingly becoming the market standard, supported by continued strong interest from foreign investors.

No significant expansion of warehouse supply is anticipated, as current market conditions do not support the development of new logistics or warehouse facilities. Key constraints include the limited availability of suitable land, high land prices, elevated construction costs, and lengthy administrative procedures.

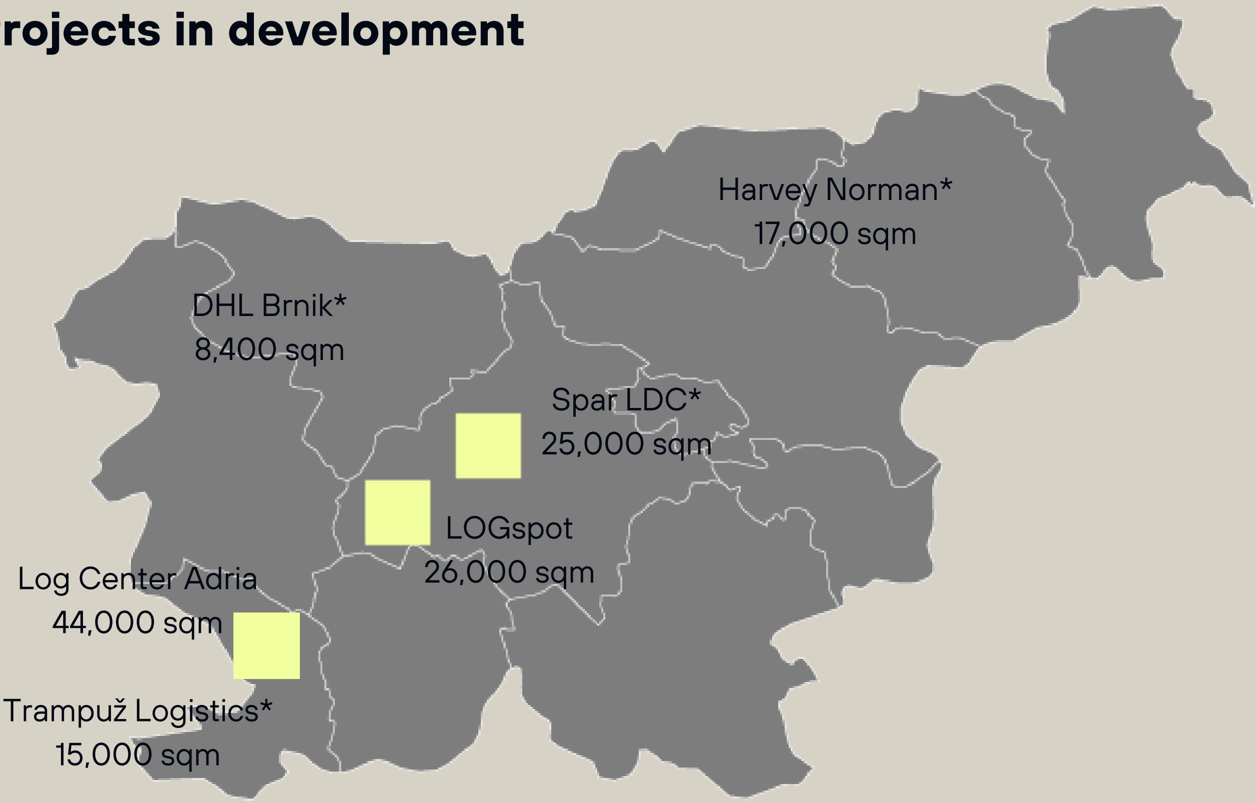
Despite several projects currently in development, warehouse vacancy rates remain below 5%, underscoring sustained strong demand for logistics capacity.

< 5%
Vacancy

60,000 m²
Completed sales

7% yield
Logistics

Projects in development



*Owner-occupied stock

Office

The office leasing market remains highly fragmented and largely outdated, with approximately 75% of office space developed prior to 2000. Both nationwide and in Ljubljana- where demand is strongest, the supply of modern, functional, and sustainable office space remains limited.

Only in the past five years have purpose-built office buildings with clear single ownership and intended exclusively for leasing begun to emerge, with the majority of these developments concentrated in Ljubljana.

9.3M m²
Stock

10 €/m²
Lease SLO
15 €/m²
Lease LJ

16-20 €/m²
Class A and B
Lease LJ

Source: GURS and in-house calculations

Office development is expected to remain focused on high-quality, sustainable buildings that comply with ESG standards. As the supply of new, modern, high-grade office space increases, older office premises, particularly those in less attractive locations, are expected to face downward pressure on value. In contrast, premium-quality office assets are likely to retain strong market positioning, with high values and low vacancy rates.

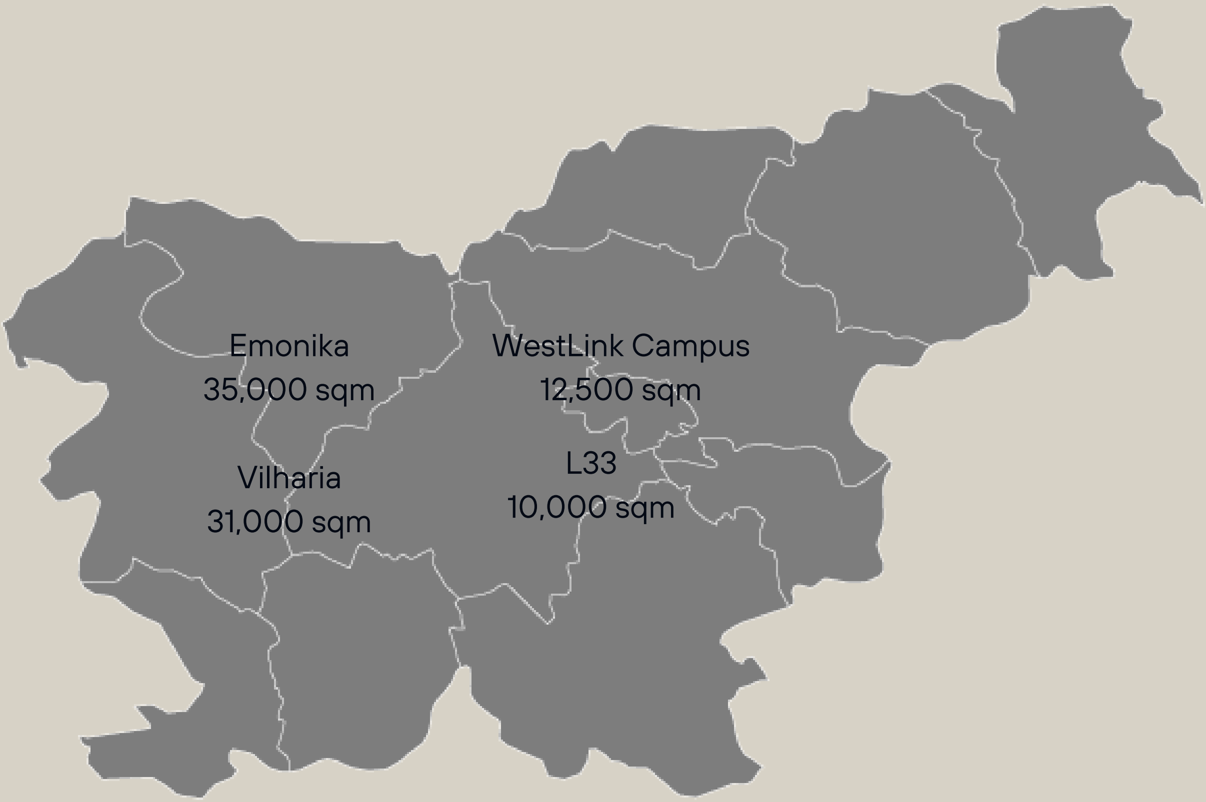
Demand is expected to remain stable, supported by economic growth and increased business activity, particularly in Ljubljana. The continued shortage of modern office space is anticipated to drive rental growth, especially in Ljubljana, where vacancy rates remain exceptionally low at approximately 2–3%.

< 3%
Vacancy

43,600 m²
Completed sales

8% yield
Class A & B

Projects in development



RETAIL

The retail property market in Slovenia is highly diverse, comprising modern shopping centres, retail parks, standalone stores, and high-streetunits in urban centres. Slovenia ranks among the European countries with the highest density of shopping centres, offering approximately 0.55 sqm per capita. This compares to Croatia at 0.52 sqm per capita, Austria at 0.50 sqm, Germany and France, where regional densities range between 0.30–0.50 sqm (Source: RegioData).

Over the past five years, retail property sale prices have risen by 28%, with Ljubljana experiencing the most pronounced growth, 44% over the same period. Shopping centres continue to represent one of the most attractive investment categories within the real estate sector.

8.4M m²
Stock

12 €/m²
Lease SLO
13-16 €/m²
Lease LJ

19-24 €/m²
Shopping centers, Lease LJ

Source: GURS and in-house calculations

The retail real estate market is expected to continue prioritizing the development and modernization of shopping centres, with a focus on integrating additional services to remain competitive with online retail. A notable trend over the past year has been the incorporation of sports and entertainment facilities within larger shopping centres.

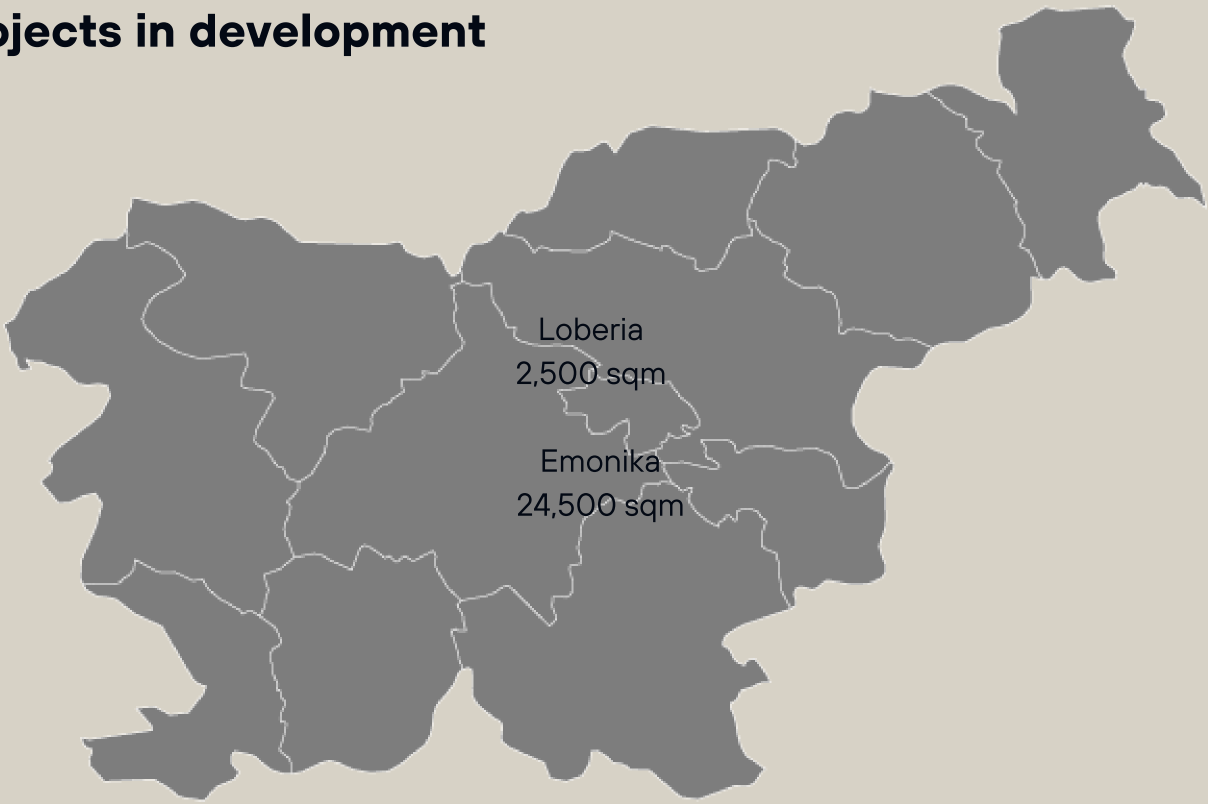
Looking ahead, rental price disparities between retail and service units in prime locations and those in less attractive, lower-footfall areas are expected to remain significant.

< 5%
Vacancy

40,000 m^2
Completed sales

7.0% yield

Projects in development



Hospitality

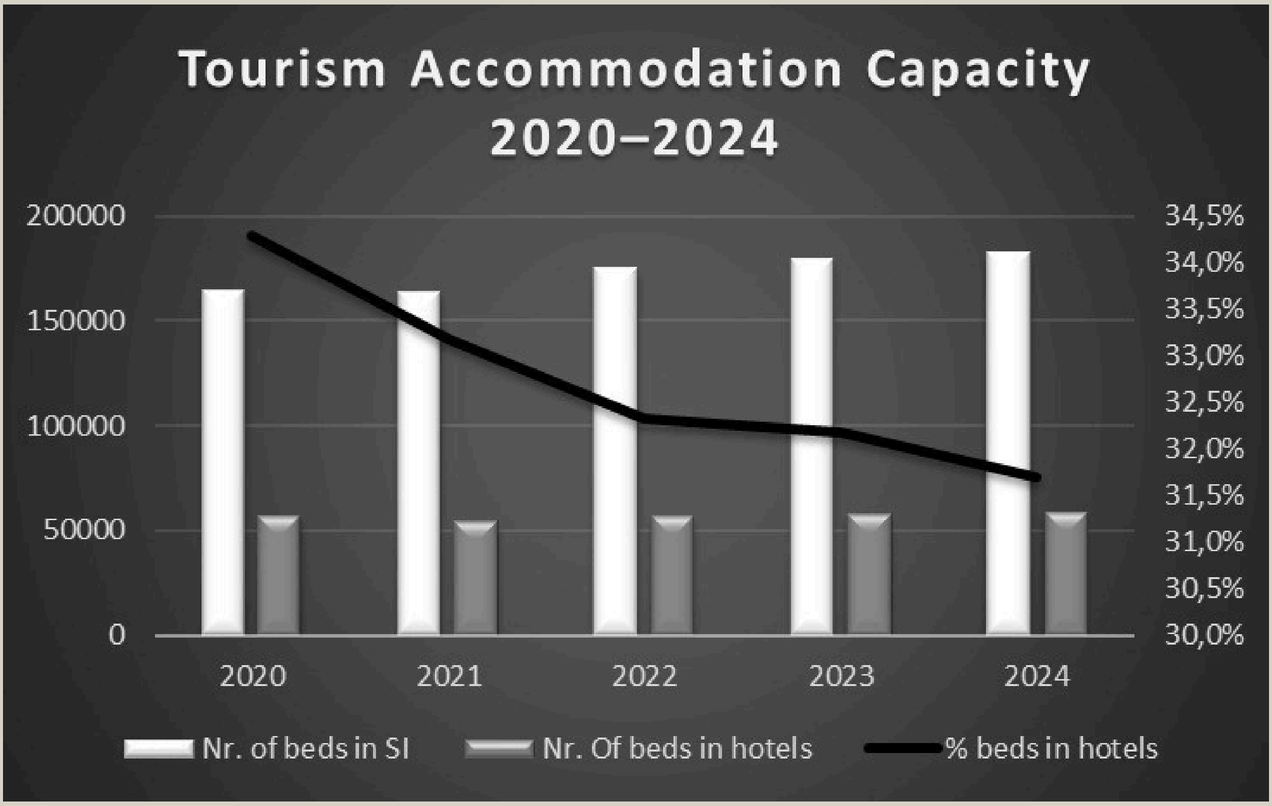
The Ljubljana hotel market comprises approximately 60 hotels, while other key tourism destinations, such as Maribor, Bled, Kranjska Gora, and the Slovenian Coast, feature smaller but strategically important accommodation facilities. Hotels in Ljubljana are predominantly independent, with only around a quarter affiliated with internationally recognized hotel chains.

Over the past five years, several new hotels have opened in the capital, including notable properties such as the Grand Plaza, Hotel Occidental, and a boutique hotel, As. Both Ljubljana and Slovenia as a whole continue to offer significant potential and demand for internationally branded hotel developments.

26,830
hotel rooms

71.2%
average
hotel occupancy

90.2%
peak
occupancy
recorded in
August



Source: SURS and in-house calculations

New hotel developments are expected to significantly increase market supply by 2027. In Ljubljana, the Emonika project will introduce two new hotels, including an internationally branded Hard Rock Hotel. Additional planned projects include a new hotel at Brnik Airport, Hotel Banovci, and a new hotel in Terme Olimia.

In Gornja Radgona, five existing heritage buildings will be redeveloped into a guesthouse, hotel, restaurant, and wellness facility, with the project executed in two phases.

Investments in modernizing hotel infrastructure and implementing sustainable practices will be critical to maintaining the competitiveness of Slovenian tourism within the European market.

60 Hotels in LJ,
3 with 5*
32 with 4*

1 major hotel transaction – ATH Hotel

7.75% yield

Projects in development

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About us

Levera ging our extensive expertise across Central European markets - including Slovenia, Italy, Austria, Croatia, and Serbia - our team is well positioned to support clients in the planning and delivery of real estate projects, as well as in the identification and acquisition of income-generating property assets.

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