

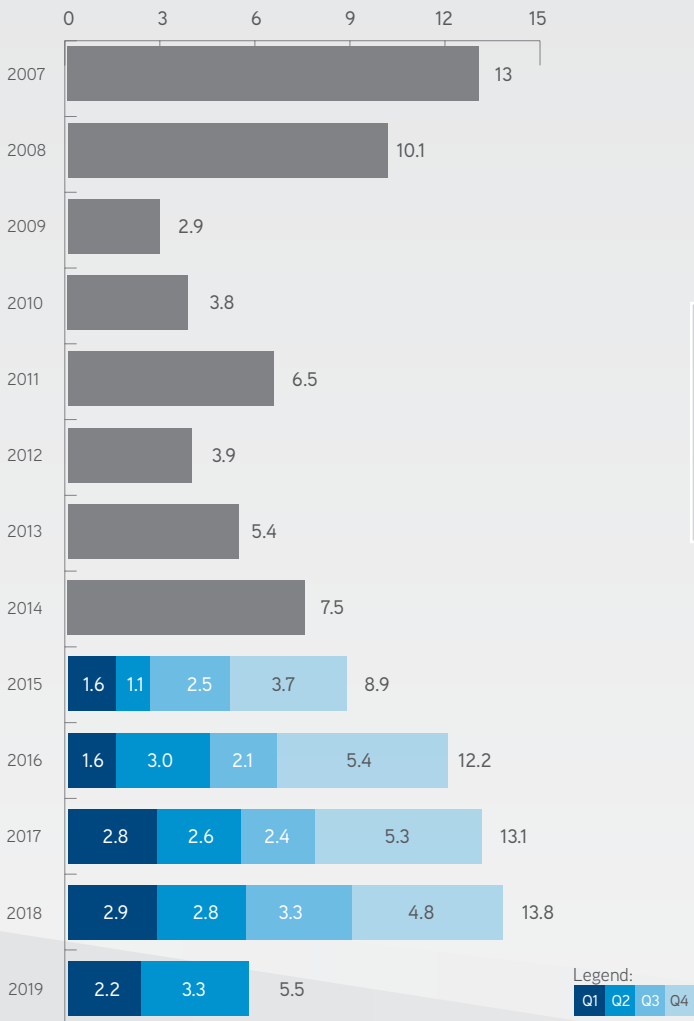
# The CEE Investment scene – H1 2019 CEE flows and drivers



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## HISTORICAL CEE INVESTMENT VOLUMES (EUR BN, ANNUAL/ QUARTERLY)

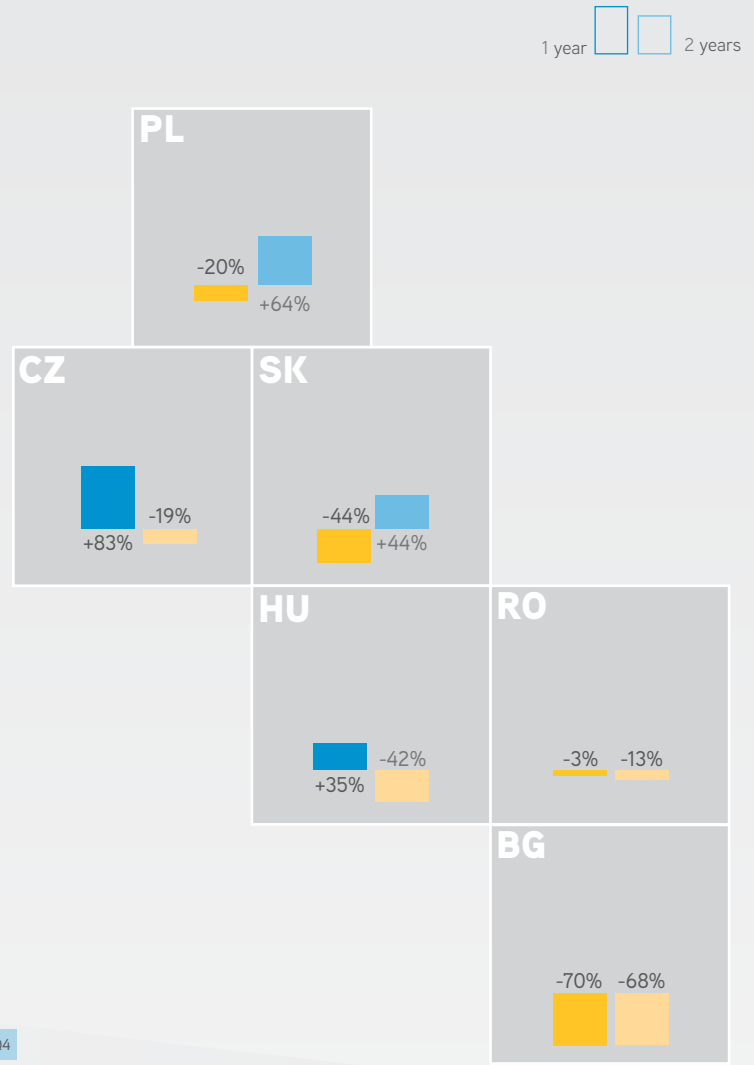
Flow volume picked up in Q2 2019, at EUR 3.3bn, after the weak Q1. H1 2019 volumes are just -3% down on H1 2018's record.



Source: Colliers International

## CEE-6 COUNTRY INVESTMENT VOLUME GROWTH RATES (H1 2019 VS H1 2018 & H1 2017)

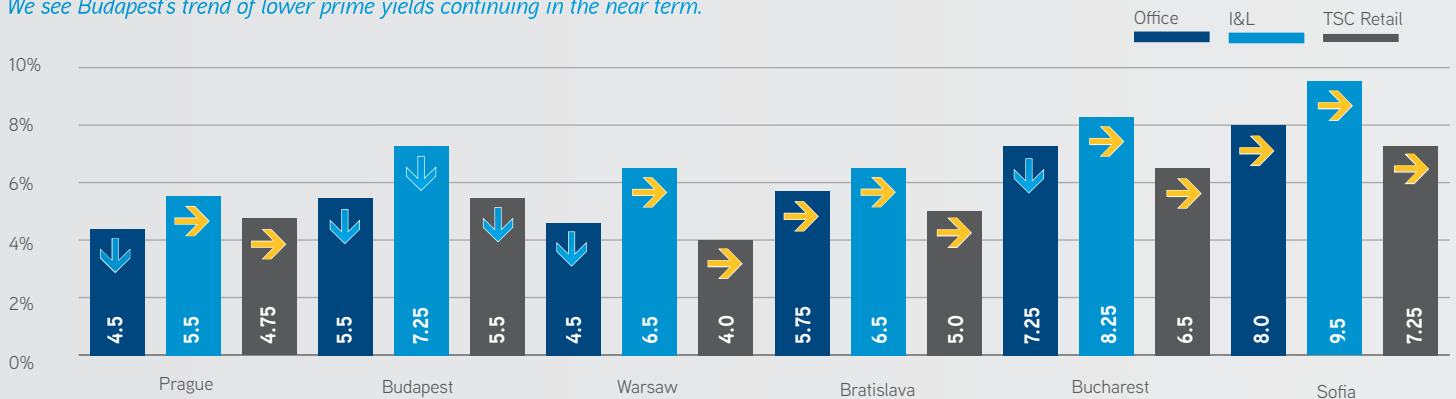
Czech and Hungarian flow leading the region in 2019 YTD. Polish flow is still lagging versus a strong H1 2018.



Source: Colliers International

## PRIME YIELDS Q2 2019 & COLLIERS 12MTH FORECAST

Prime office yields in the major capital cities seen as likely to compress further in the next 12 months. We see Budapest's trend of lower prime yields continuing in the near term.

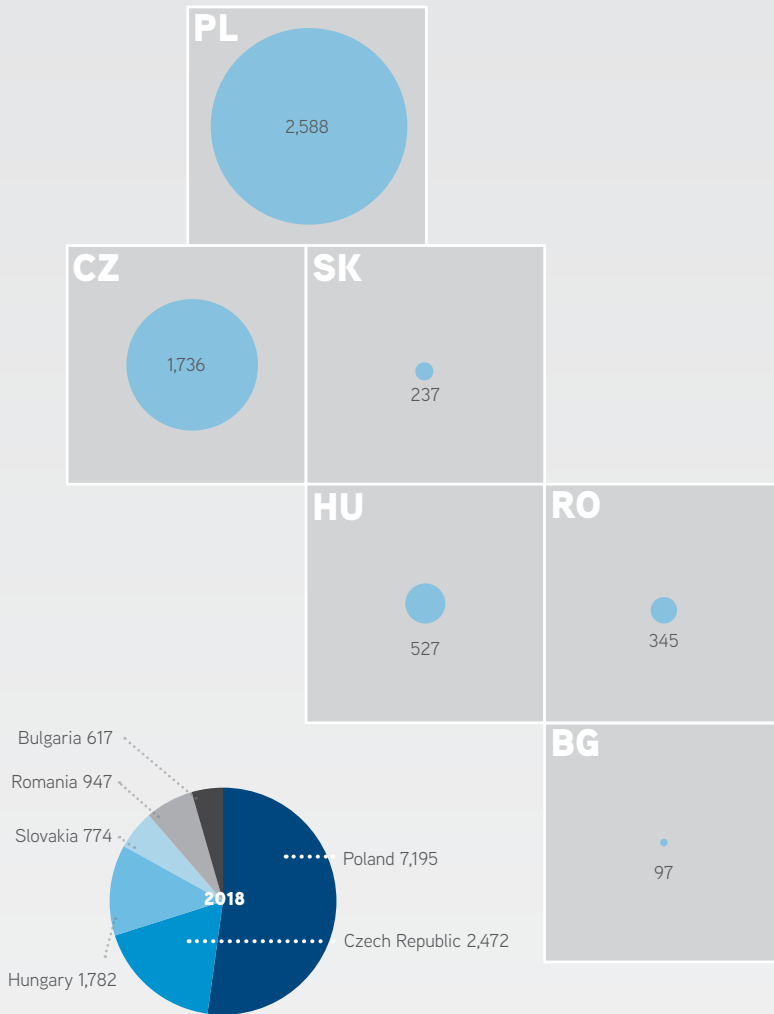


Source: Colliers International

The basis for the yields is gross yields in Warsaw, Budapest and Bucharest, net investment yields in Sofia, Prague and Bratislava

## FLows BY COUNTRY (H1 2019 | EUR MN)

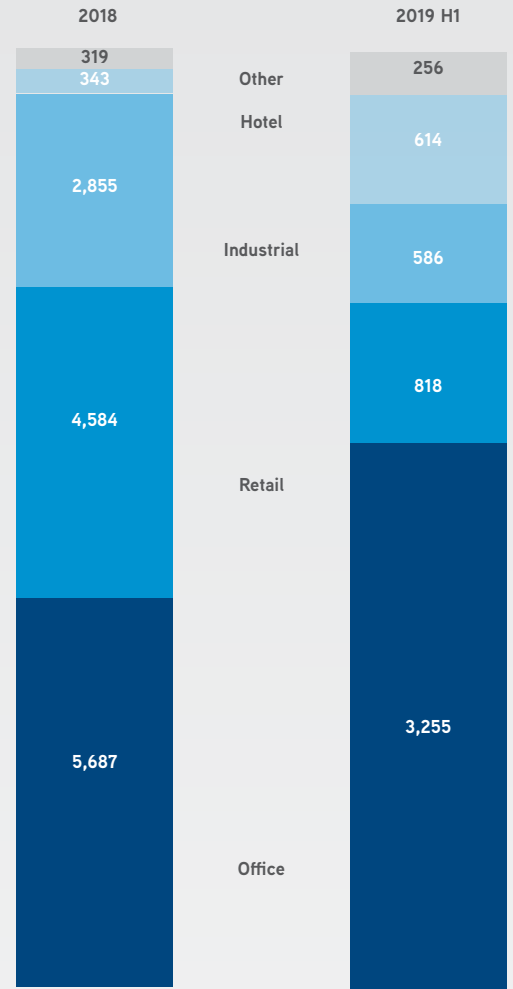
Polish volumes ran ahead of the Czech numbers in Q2 2019. Romanian, Hungarian and Slovak numbers all picked up in Q2 after a weak Q1.



Source: Colliers International

## FLows BY SECTOR (EUR MN)

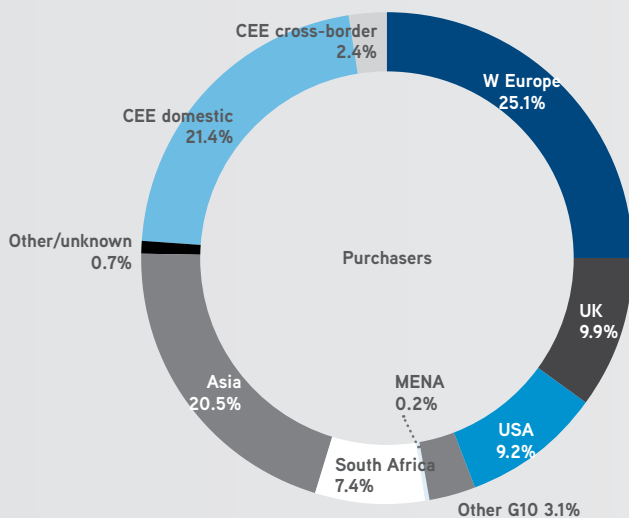
The office sector continues to dominate the CEE region in 2019. Volumes remain very weak in retail, whilst improving in Q2 in industrial. Hotel deal flow stays strong.



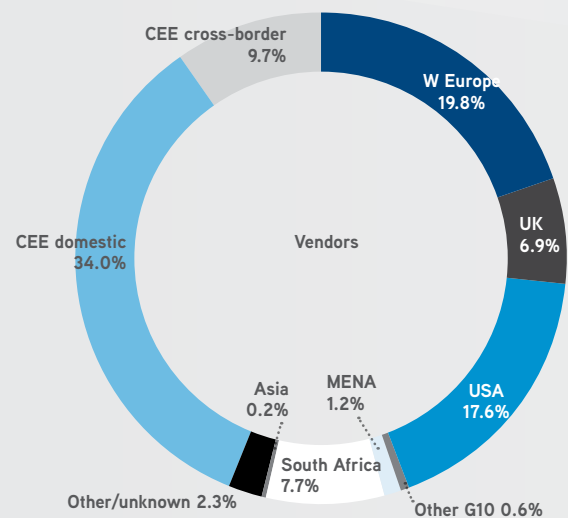
Source: Colliers International

## FLows BY ORIGIN OF PURCHASER AND ORIGIN OF VENDOR, H1 2019 (%)

Asian purchase flows rising at the expense of CEE players in H1 2019. CEE cross-border purchases and domestic flow in Poland in particular are very weak. US funds remain net sellers while UK and Western European money turn net buyers.



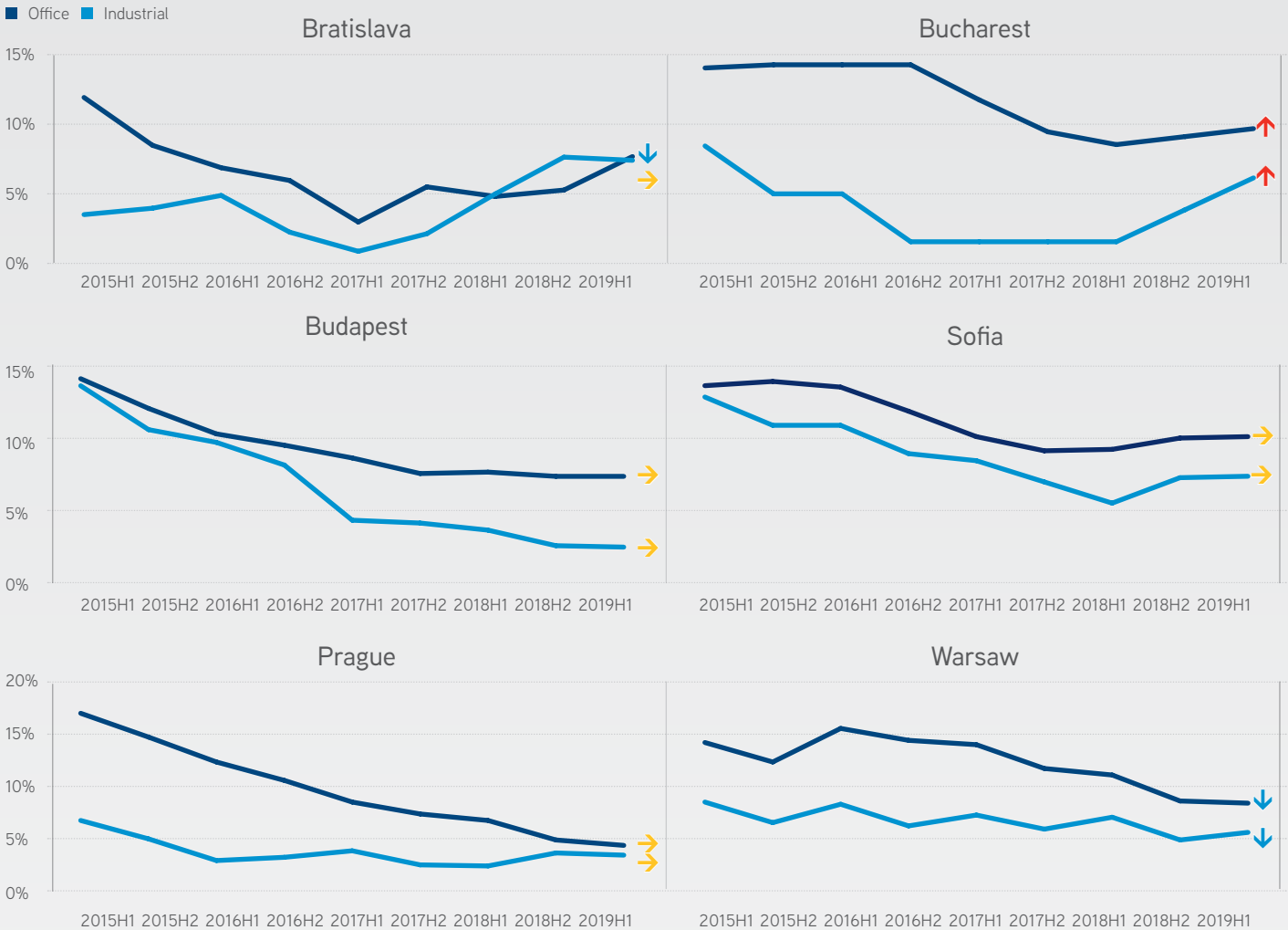
Source: Colliers International



Source: Colliers International

# Demand and supply data

OFFICE AND INDUSTRIAL **VACANCY** DYNAMICS 2015 – H1 2019 AND 12MTH FORECASTS FOR CEE CAPITALS  
*Half of the key capital city vacancy rates in office and industrial continued to compress in H1 2019, whilst three categories rose. We foresee continued increases in Bucharest vacancy rates, continued moderate compression in Warsaw and a reversing compression in Bratislava office in the next 12 months.*



Source: Colliers International

## RENT LEVELS, RENTAL GROWTH AND COLLIERS FORECASTS FOR THE NEXT 12 MONTH

*Our teams in the region remain with the opinion that we will see rent rises in certain categories in the next 12 months. In the key office sector rent growth looks likely in Budapest and Prague, rent decreases more likely in Bucharest and Bratislava.*

OFFICE INDUSTRIAL RETAIL	PRIME RENT (EUR/SQM/MTH)	PRIME RENT GROWTH (% YOY)	PRIME RENT 12M FORECAST	AVERAGE RENT (EUR/SQM/MTH)	AVERAGE RENT GROWTH (% YOY)	AVERAGE RENT 12M FORECAST	PRIME W/H RENT (EUR/SQM/MTH)	PRIME W/H RENT GROWTH (% YOY)	PRIME W/H RENT 12M FORECAST	PRIME LOGISTICS RENT (EUR/SQM/MTH)	PRIME LOGISTICS RENT GROWTH (% YOY)	PRIME LOGISTICS RENT 12M FORECAST	PRIME TSC RENT (EUR/SQM/MTH)	PRIME TSC RENT GROWTH (% YOY)	PRIME TSC RENT 12M FORECAST
	Warsaw	22.0	0.0%	▲	19.0	5.6%	▶	5.0	0.0%	▶	4.0	0.0%	▶	120.0	0.8%
Bucharest	18.0	0.0%	▶	14.5	0.0%	▼	4.2	1.2%	▶	4.2	1.2%	▶	75.0	15.4%	▶
Bratislava	15.5	0.0%	▼	13.5	0.0%	▶	4.7	0.0%	▶	4.0	0.0%	▶	38.5	0.0%	▶
Prague	22.5	4.7%	▲	15.5	10.7%	▲	4.8	5.6%	▶	4.0	0.0%	▶	135.0	0.0%	▶
Budapest	21.0	5.0%	▲	14.5	3.6%	▶	5.5	10.0%	▲	5.0	5.3%	▲	80.0	3.9%	▲
Sofia	16.0	0.0%	▶	10.0	0.0%	▶	4.7	0.0%	▶	5.2	0.0%	▶	39.0	0.0%	▶

Source: Colliers International



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