

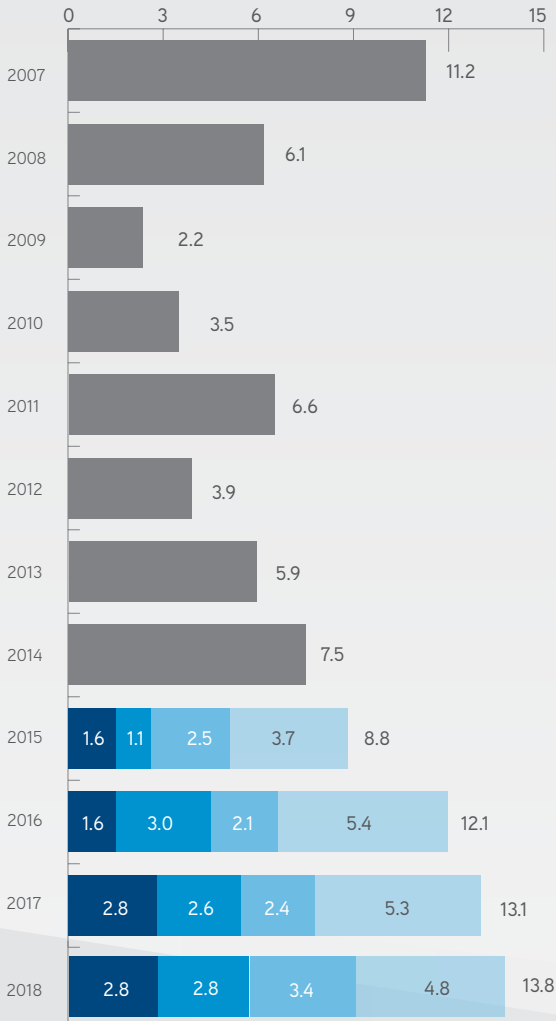
# The CEE Investment scene – Q4 2018 CEE flows and drivers



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

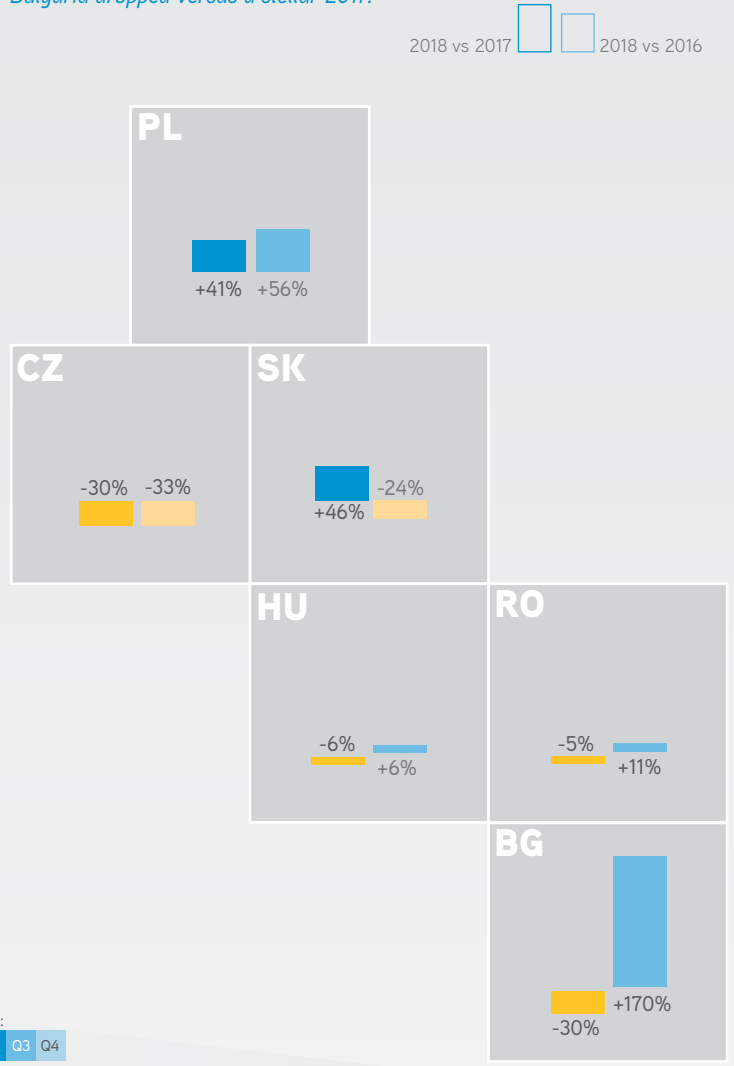
*Investment flow of EUR 13.8bn in 2018, another record. Growth rate of 5% is slowing down.*



Source: Colliers International

## CEE-6 COUNTRY INVESTMENT VOLUME GROWTH RATES (2018 VS. 2017 & 2016)

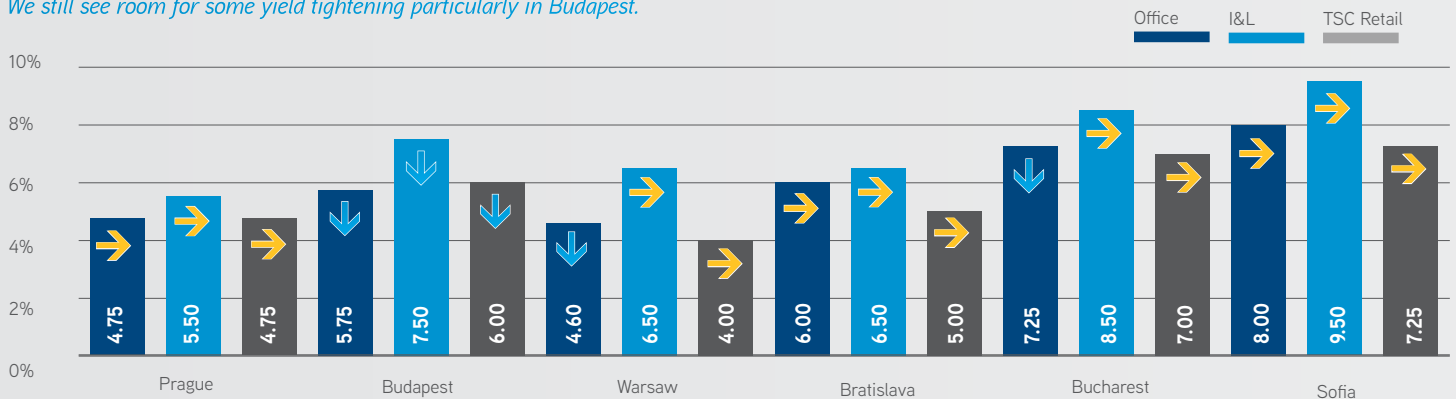
*Poland powering ahead. Slovak flow picked up after a weak 2017. Czech volumes noticeably weak, due to low supply of product. Bulgaria dropped versus a stellar 2017.*



Source: Colliers International

## PRIME YIELDS Q4 2018 & COLLIERS 12MTH FORECAST

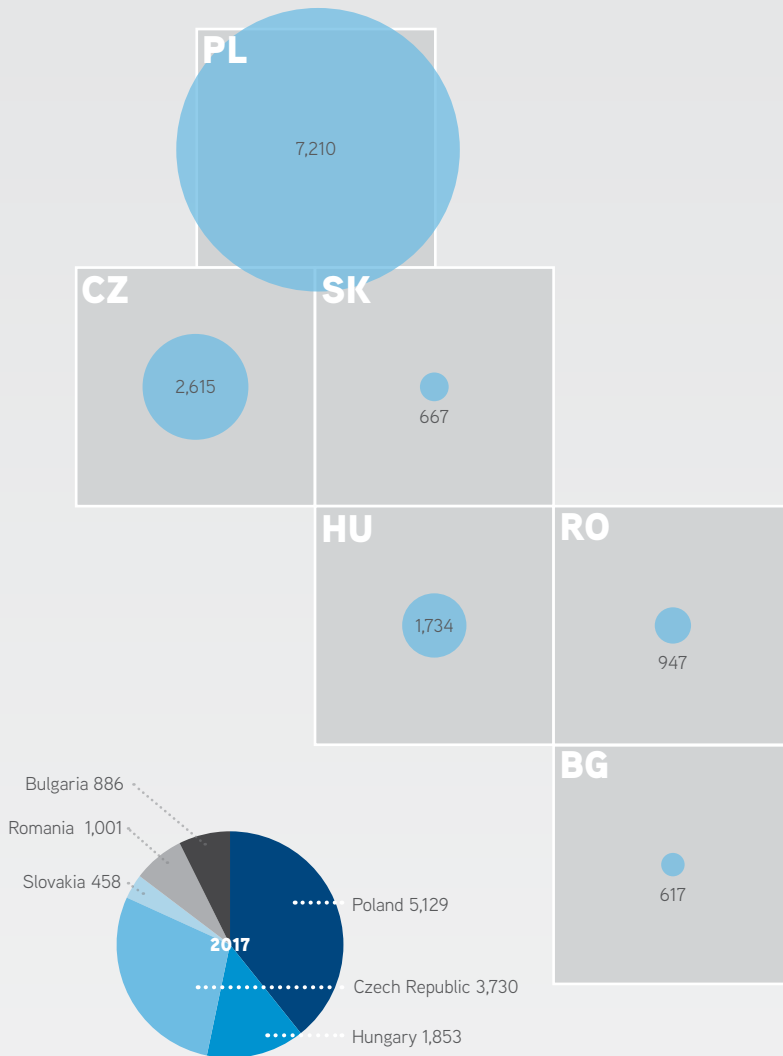
*Yields compressing very moderately in office sectors of key capital cities presently. We still see room for some yield tightening particularly in Budapest.*



Source: Oxford Economics, Colliers International

## FLows BY COUNTRY (2018 | EUR MN)

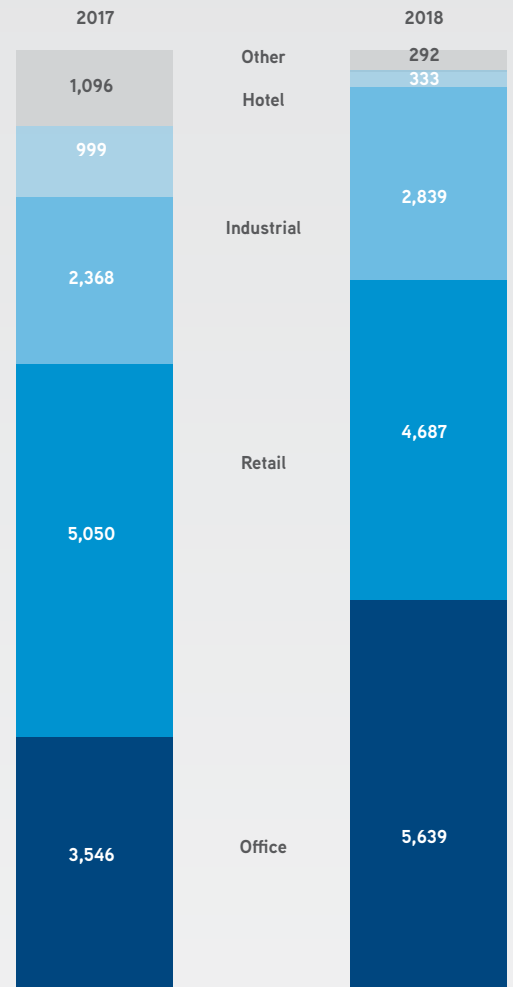
Momentum in Polish volumes continued in H2 2018, on the back of the strong economy. Czech and Hungarian flows accelerated in Q4 after relatively weak numbers in H1.



Source: Colliers International

## FLows BY SECTOR (EUR MN)

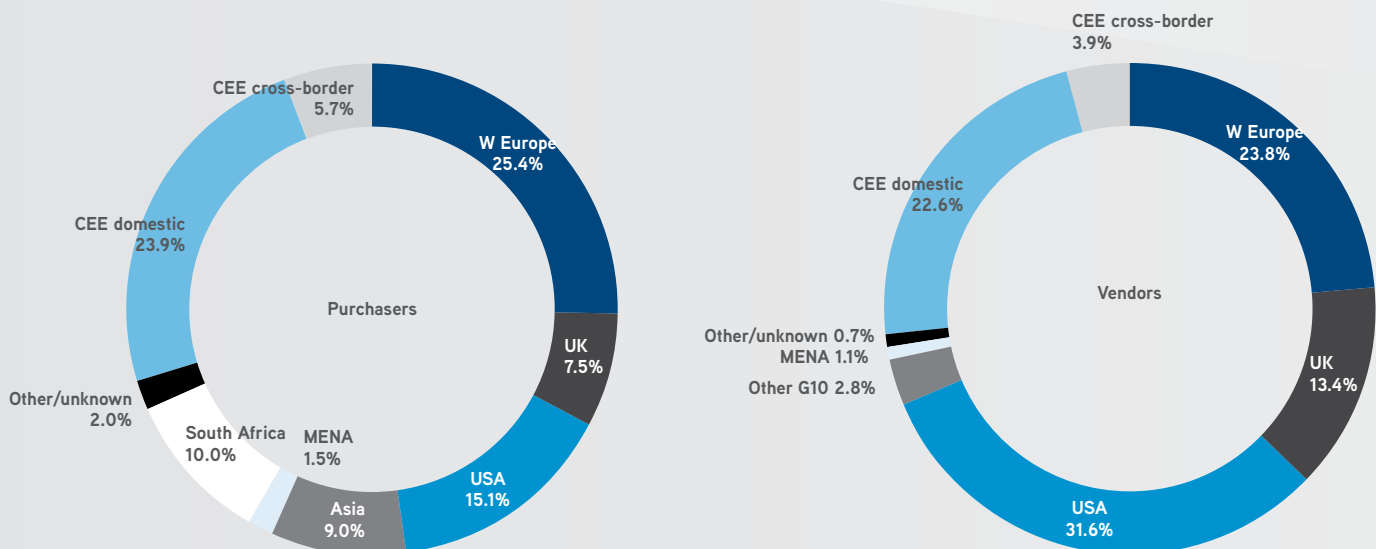
Office, with volumes jumping 55% year-on-year, overhauled retail (-7%) in 2018. Industrial flows accelerated in Q4 2018 to register a solid year-on-year rise of 20%, reflecting strong GDP growth.



Source: Colliers International

## FLows BY ORIGIN OF PURCHASER AND ORIGIN OF VENDOR, 2018 (%)

Asian, South African and Western European purchase flows noticeable in Q4 2018 especially. US and UK funds were again net sellers in H2 2018. Western Europeans turned net buyers, marginally.

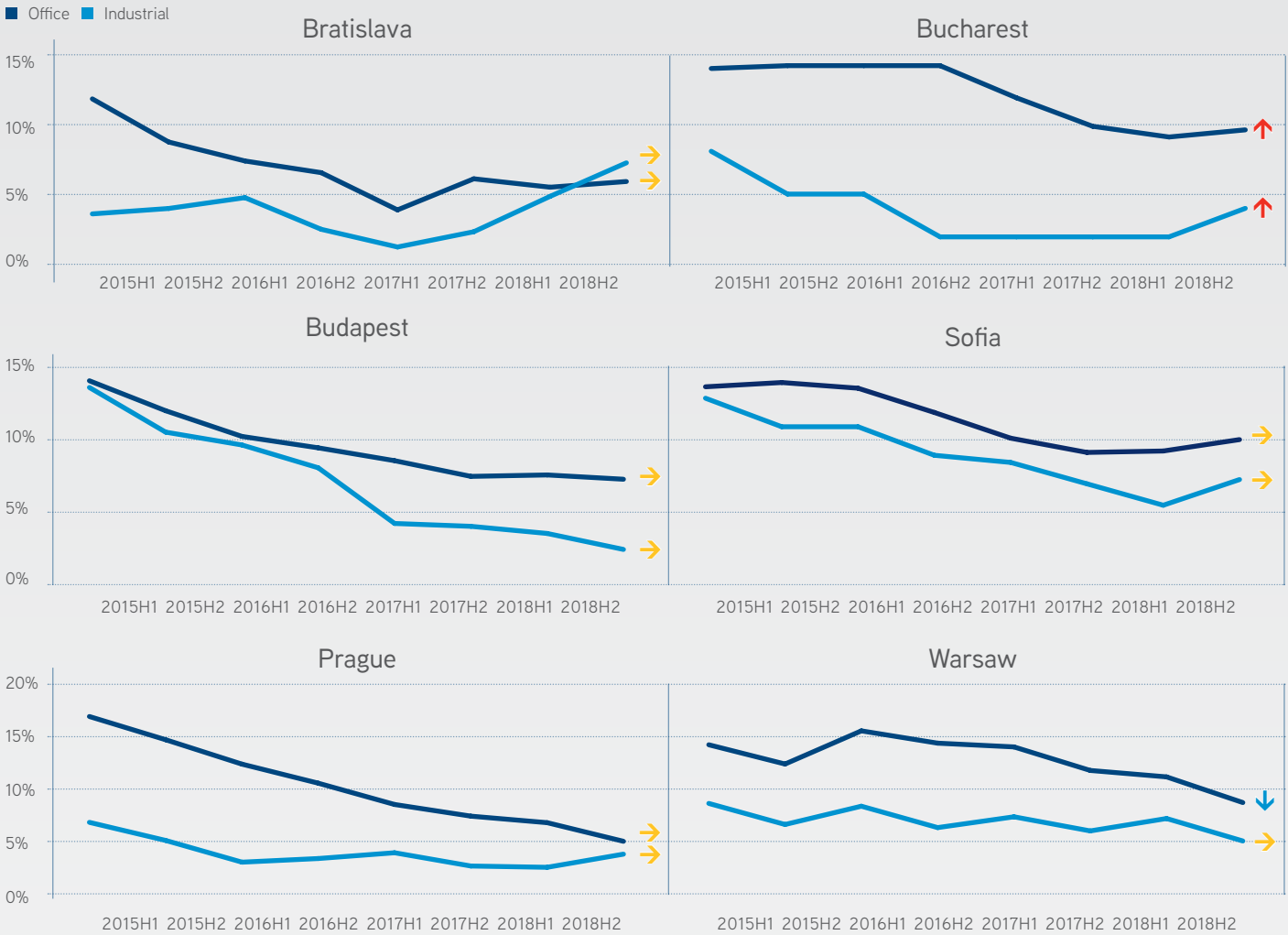


Source: Colliers International

# Demand and supply data

## OFFICE AND INDUSTRIAL VACANCY DYNAMICS 2015 – 2018 AND FORECASTS FOR 2019 IN CEE CAPITALS

After significant falls in vacancy rates in recent quarters, we see reversal rises in just 2 out of 12 key CEE capital city categories in the next 12 months. Vacancy rates look most likely to rise in Bucharest, due to likely increased supply. Conditions look broadly stable elsewhere.



Source: Colliers International

## RENT LEVELS, RENTAL GROWTH AND COLLIERS FORECASTS FOR 2019

Our teams in the region foresee less rent hikes over the coming quarters than we did in July 2018.

Rental growth look most likely to us in office, especially in Budapest, Prague and Warsaw. Rent momentum looks strong across the board in Budapest.

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	1.0%	▶	13.5	0.0%	▶	4.7	4.4%	▶	4.0	0.0%	▶	38.5	0.0%	▶
Prague	22.0	7.3%	▲	15.0	11.1%	▲	4.8	11.8%	▶	4.0	0.0%	▶	135.0	8.0%	▶
Budapest	20.0	0.0%	▲	14.0	0.0%	▶	5.0	0.0%	▲	4.8	11.8%	▲	80.0	3.9%	▲
Sofia	16.0	0.0%	▶	10.0	0.0%	▶	4.7	4.4%	▶	5.2	6.1%	▶	39.0	0.0%	▶

Source: Colliers International

