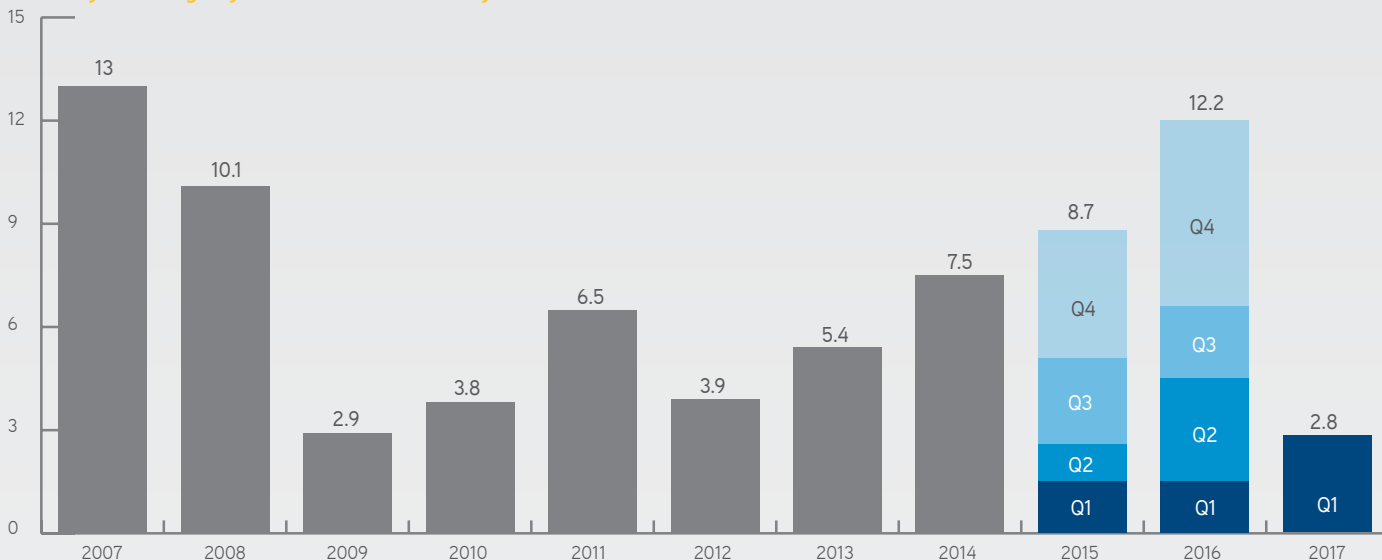


# The Investment scene – Q1 CEE flows and drivers



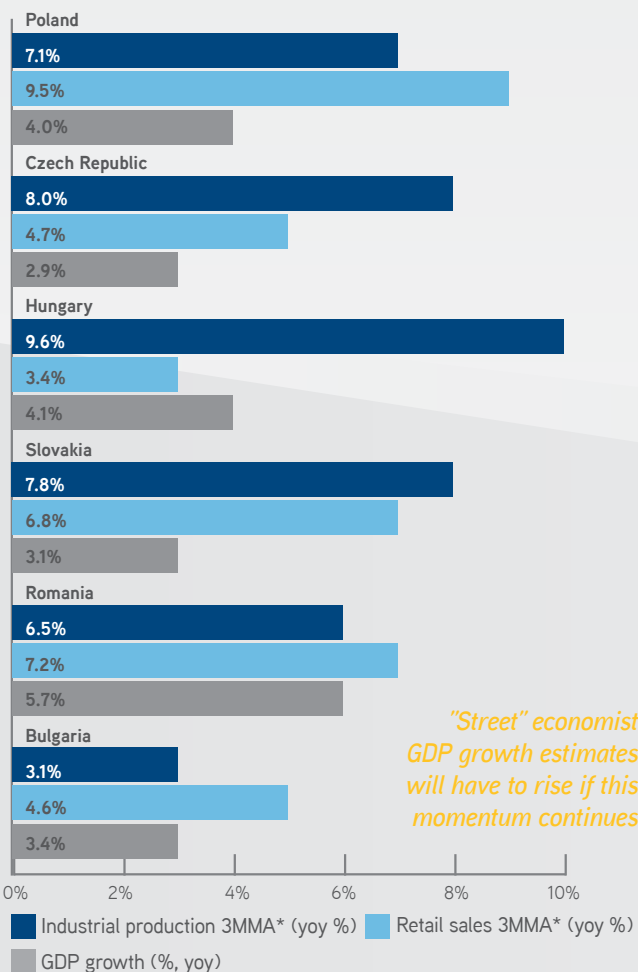
## HISTORICAL CEE INVESTMENT VOLUMES (EUR BN, ANNUAL/ QUARTERLY)

Final Q1 2017 flows of EUR 2.8bn (source Colliers International), 70% ahead of Q1 2016 and 73% ahead of Q1 2015. 2016's cyclical high of EUR 12.2bn looks likely to be overhauled in 2017



Source: Real Capital Analytics, Colliers International

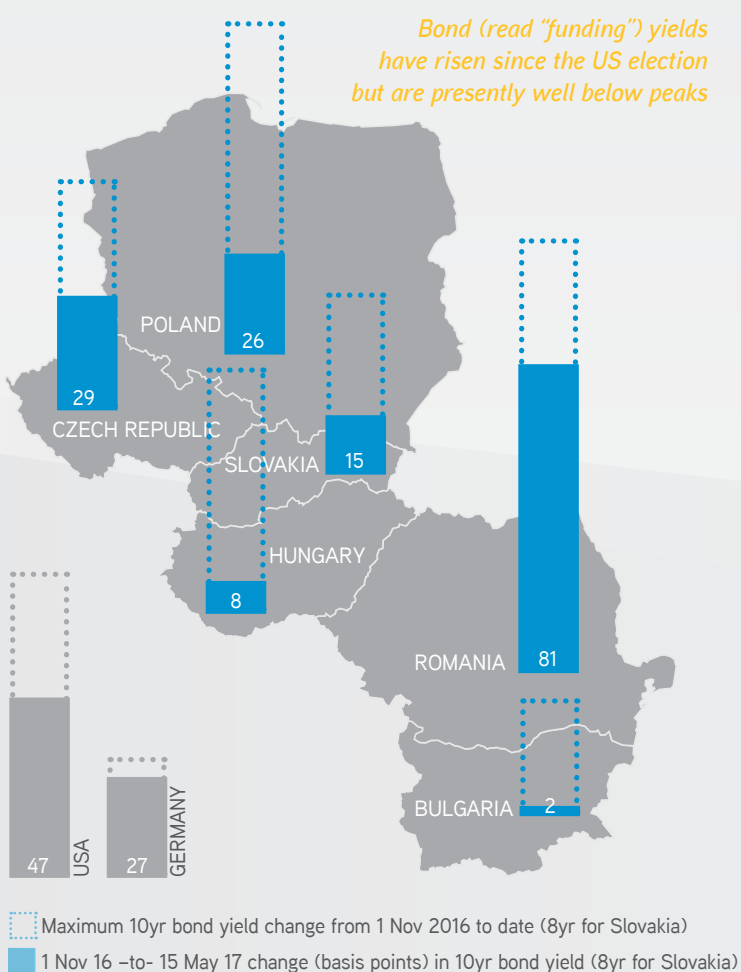
**KEY DRIVER: STRONG MACRO** Q1 2017 GDP, INDUSTRIAL PRODUCTION, RETAIL SALES VERY BUOYANT



*"Street" economist GDP growth estimates will have to rise if this momentum continues*

\*3-month moving average of January, February and March yoy changes  
Source: Investing.com, Colliers International

**KEY RISK: HIKES IN BOND YIELDS NOT YET DANGEROUS** RECENT 10Y BOND YIELD MOVES



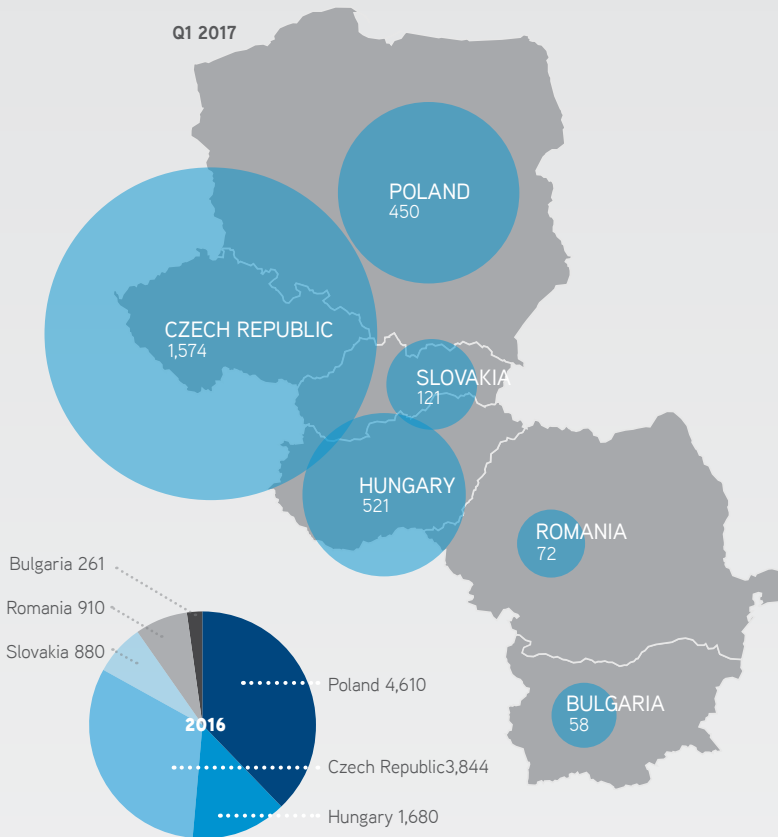
*Bond (read "funding") yields have risen since the US election but are presently well below peaks*

Source: Investing.com, Colliers International

## FLOWS BY DESTINATION (EUR MN)

CZECH AND HUNGARIAN FLOWS INCREASING FASTEST

56% of Q1 2017 CEE flow into Czech Rep. 19% into Hungary

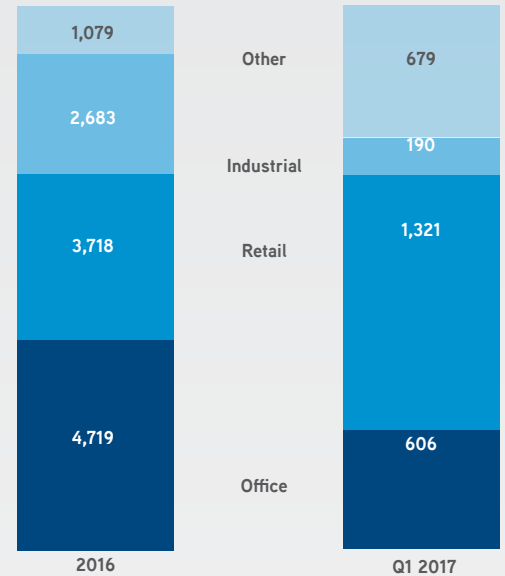


Source: Colliers International

## FLOWS BY SECTOR (EUR MN)

Flows into Retail sector dominant in Q1 2017.

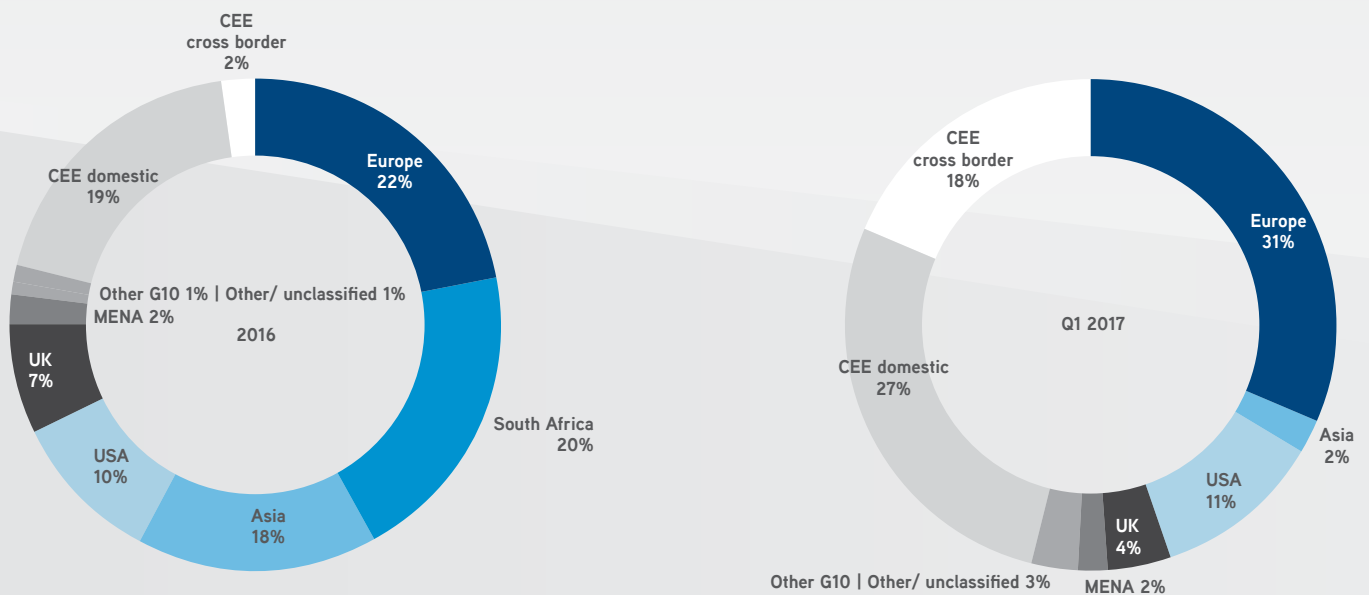
Hotel investment flows\* also featuring (\*EUR 415mn, within "Other")



Source: Colliers International

## FLOWS BY GEOGRAPHIC ORIGIN (%)

European, CEE domestic and CEE cross-border flows are the momentum drivers in Q1 2017



Source: Colliers International

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