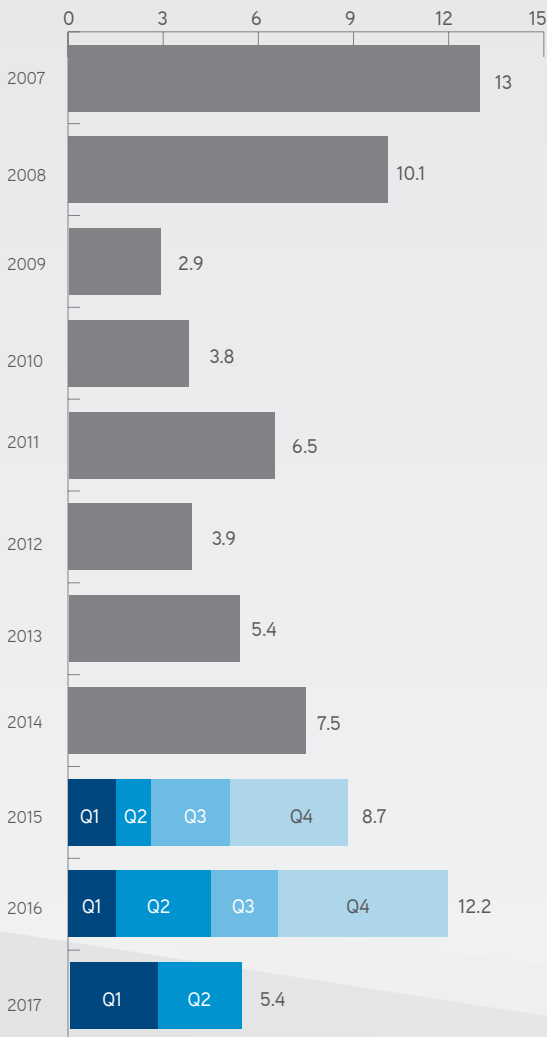


The CEE Investment scene – H1 2017 CEE flows and drivers



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

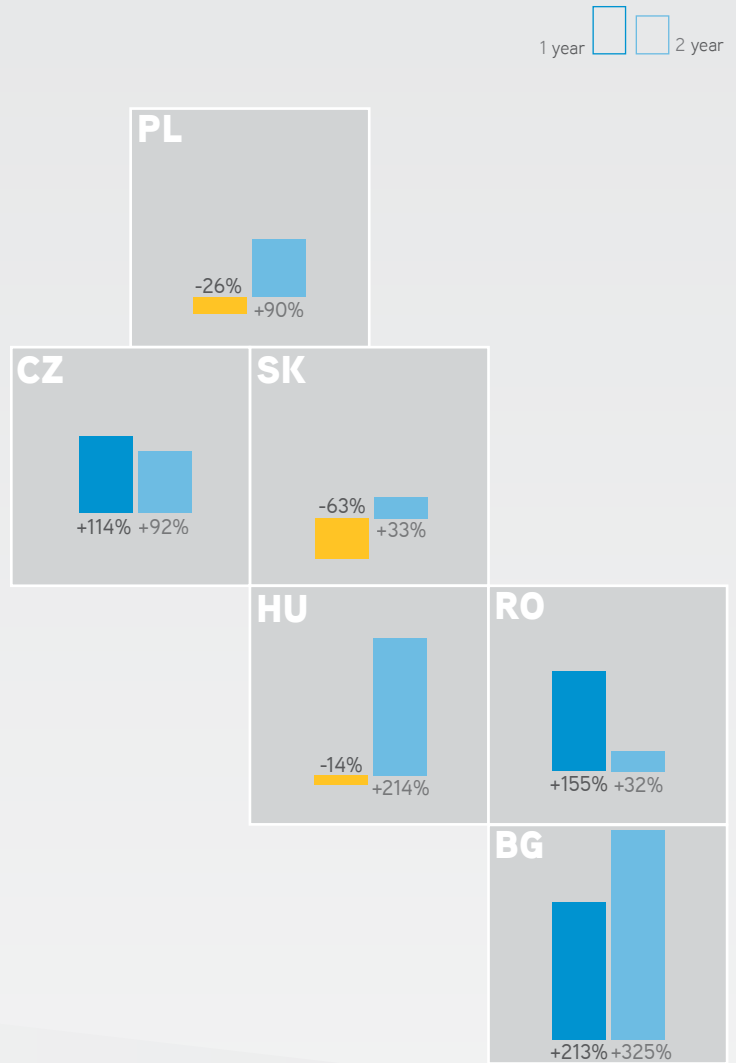
End H1 2017 flows of EUR 5.4bn*, 17% ahead of H1 2016 and 102% ahead of H1 2015. 2016's cyclical high of EUR 12.2bn looks likely to be overhauled in 2017.



*Source: Colliers International

CEE-6 COUNTRY INVESTMENT VOLUME GROWTH RATES (H1 2017 VS. H1 2016 & H1 2015)

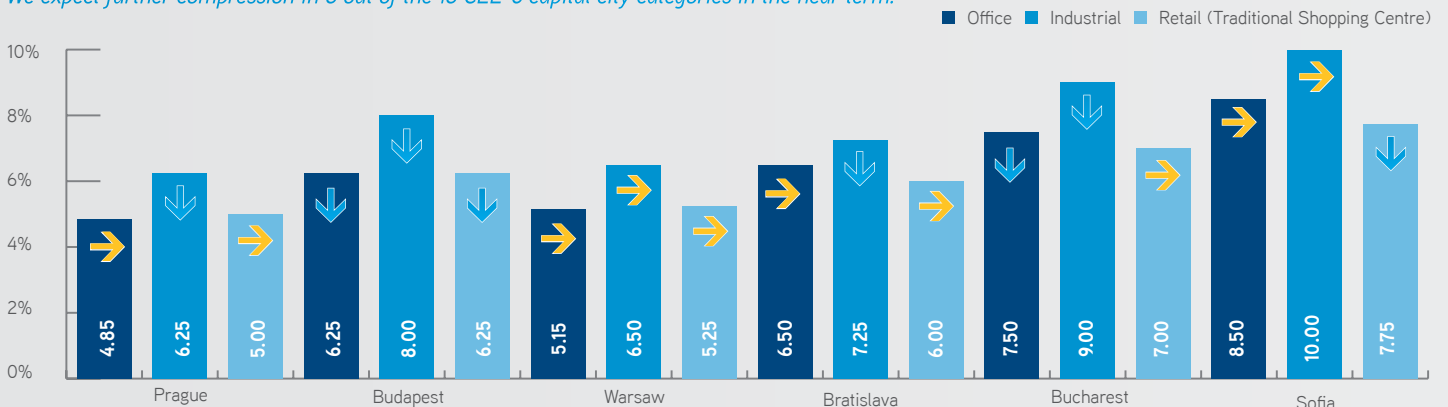
Czech, Romanian and Bulgarian volumes most impressive in H1 2017



Source: Colliers International

PRIME YIELDS Q2 2017 & COLLIERS 12MTH FORECAST

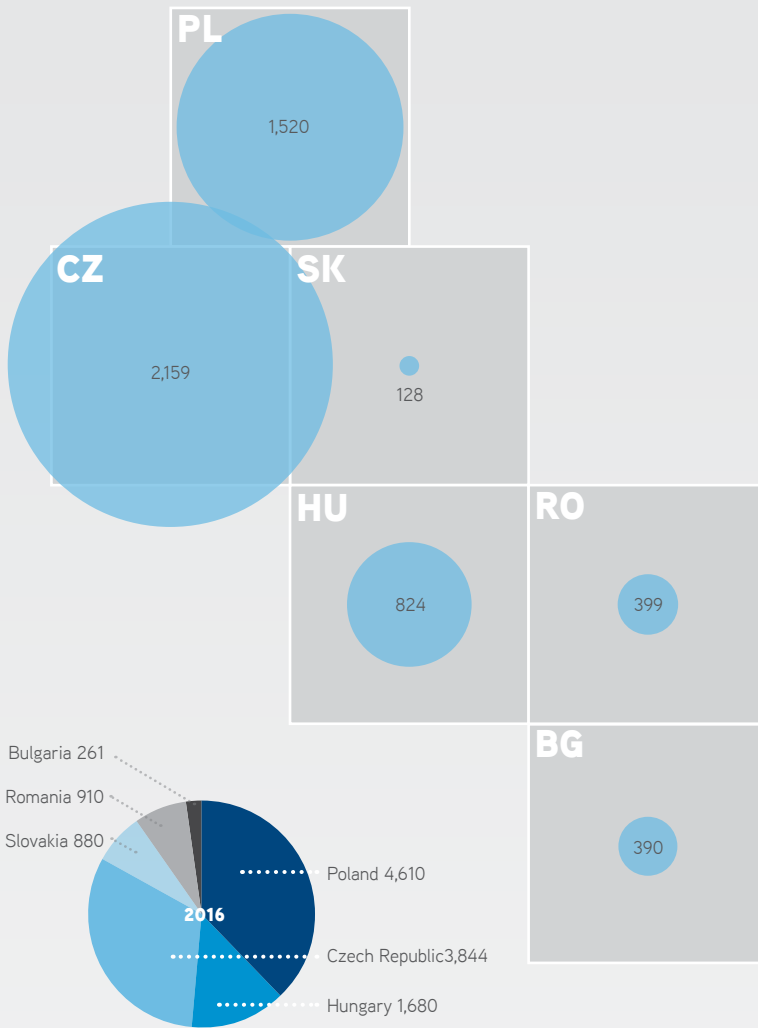
Yields compressed most noticeably in Sofia and Budapest in H1 2017. We expect further compression in 8 out of the 18 CEE-6 capital city categories in the near term.



Source: Colliers International

FLows BY COUNTRY (H1 2017 | EUR MN)

Czech volumes remain the most significant in the region thus far in 2017, reversing roles with Poland

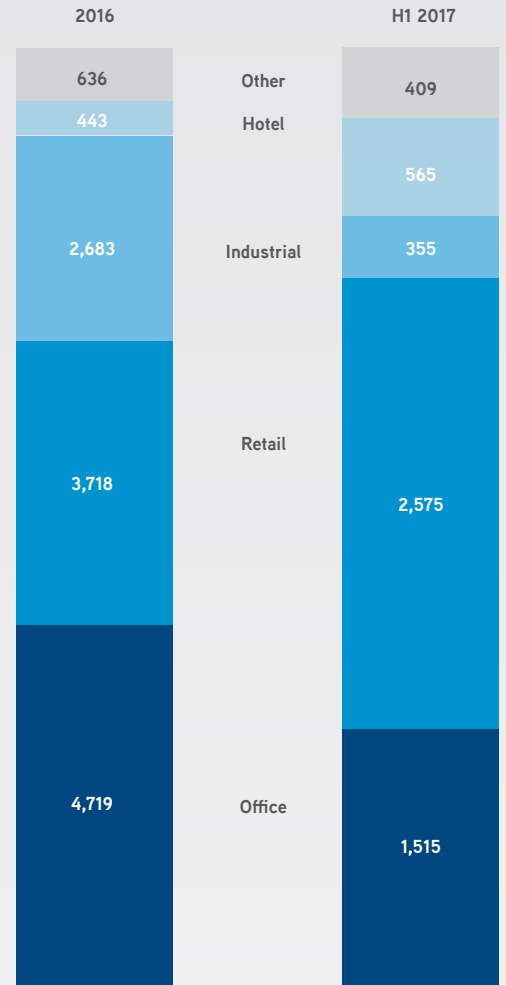


Source: Colliers International

FLows BY SECTOR (EUR MN)

Flows into Retail sector dominant in H1 2017

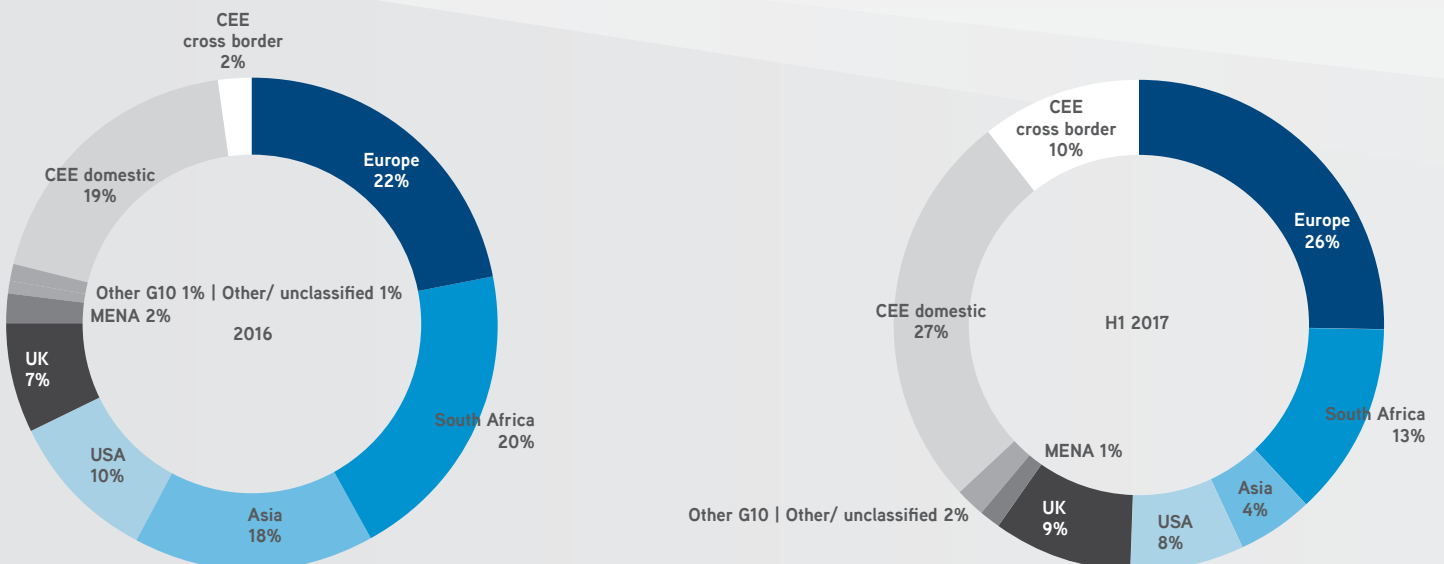
Hotel flows, a sign of bullish market conditions, have already exceeded 2016's full-year total



Source: Colliers International

FLows BY GEOGRAPHIC ORIGIN (%)

The large CIC (China, EUR 748mn) and NEPI/Rockcastle (South Africa, EUR 2,362mn) portfolio deals are forthcoming in Q3 2017



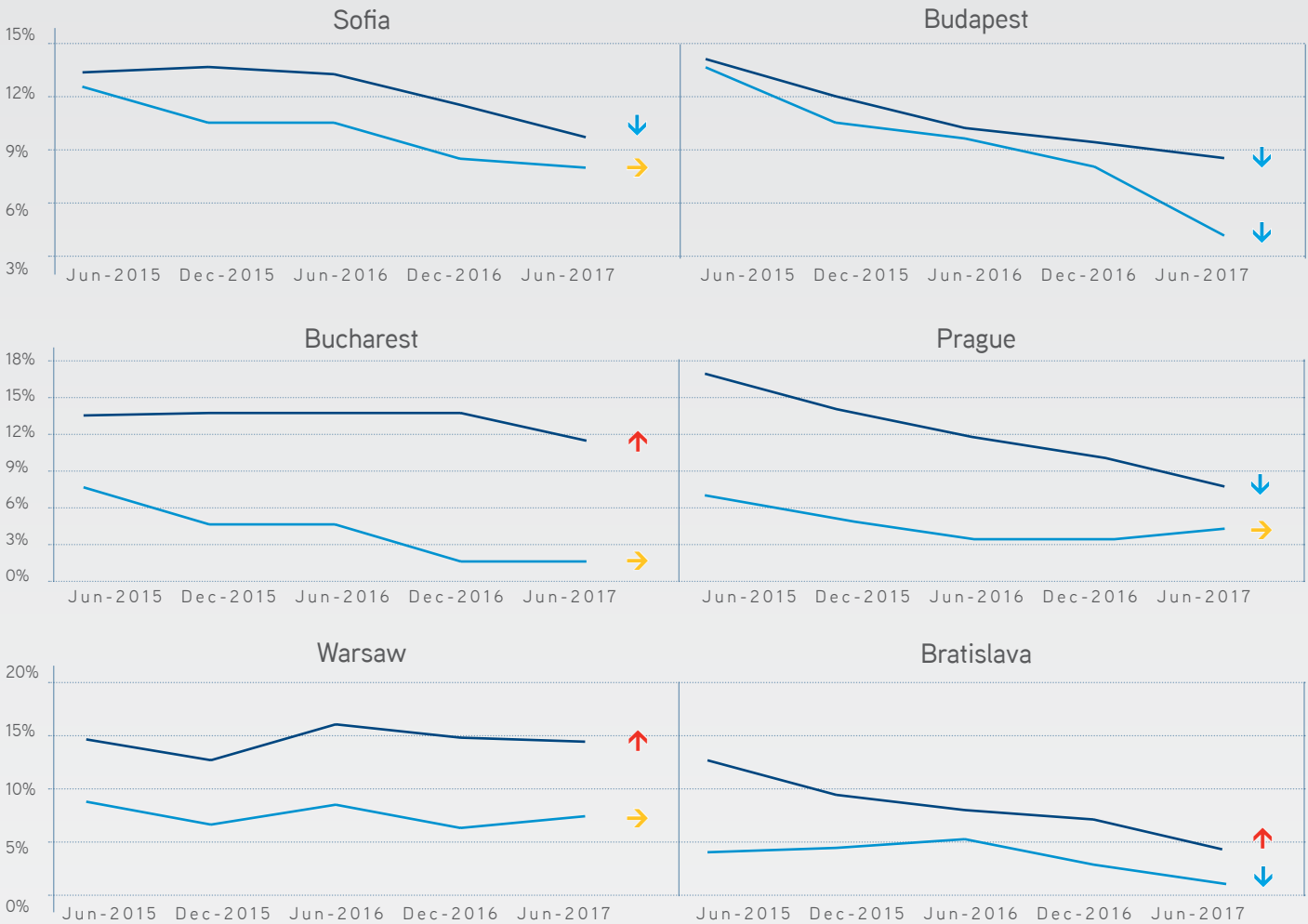
Source: Colliers International

Demand and supply data

OFFICE AND INDUSTRIAL VACANCY DYNAMICS AND FORECASTS IN CEE CAPITALS 2015 - 2017 H1

We foresee 5 decreases and 3 increases out of the 12 vacancy rates tracked

■ Office ■ Industrial



Source: Colliers International

RENT LEVELS, RENTAL GROWTH AND COLLIERS FORECASTS FOR H2 2017

Upward rent momentum we predicted 6 months ago is coming true. We expect more in H2 2017.

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
	Sofia	14	7.7%	↑	11.5	4.5%	→	3.8	0.0%	→	4.5	12.5%	→	35	2.9%
Prague	20	3.1%	↑	13.2	0.0%	↑	4.25	6.3%	→	4.0	2.6%	→	115	15.0%	↑
Budapest	18	0.0%	↑	13.5	5.9%	→	5.0	0.0%	↑	3.75	7.1%	↑	77	2.7%	→
Warsaw	22	-2.2%	→	18	0.0%	↓	5.0	0.0%	→	4.0	0.0%	→	120	7.1%	↑
Bucharest	19	5.6%	→	14.5	0.0%	↓	4.0	0.0%	→	4.0	0.0%	→	65	0.0%	→
Bratislava	16.5	6.5%	→	12.5	13.6%	→	4.5	25%	→	4.0	17.6%	↑	38.5	0.0%	→

Source: Colliers International

CONTACT:

Mark Robinson | CEE Research Specialist | Research | mark.robinson@colliers.com | +420 226 537 646

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