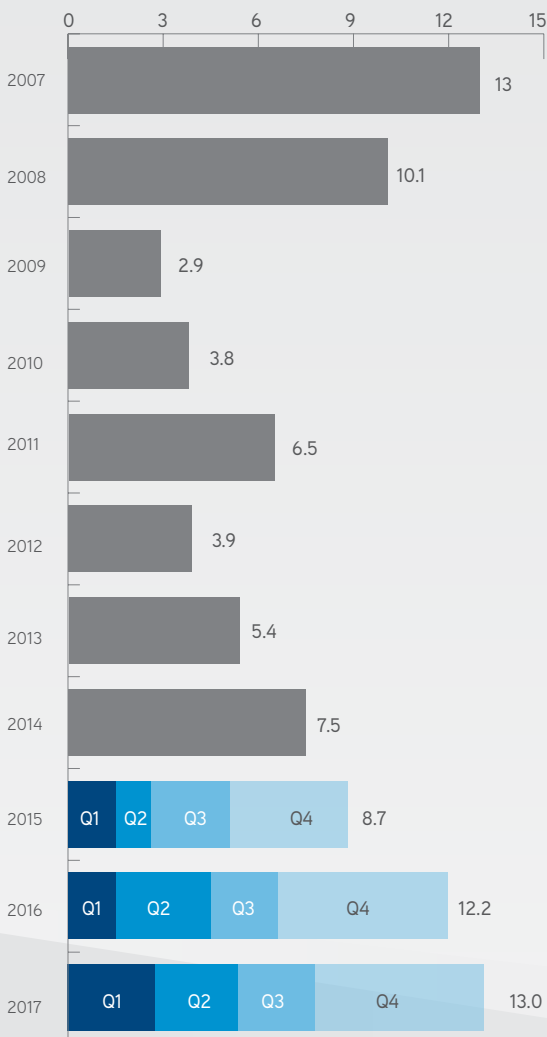


# The CEE Investment scene – H1 2018 CEE flows and drivers



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

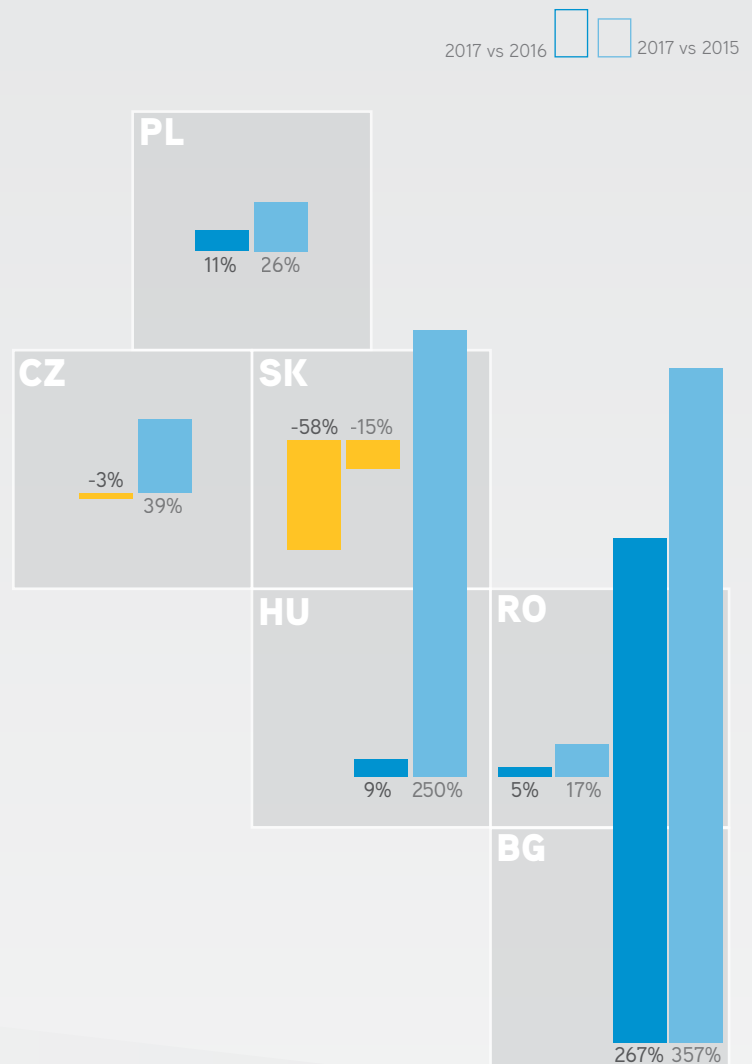
2017 calendar year flow of EUR 13.0bn\* matched 2007's record high and was 7% ahead of 2016 and 48% ahead of H1 2015. We expect 2018 flows to exceed 2017's level.



\*Source: Colliers International

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

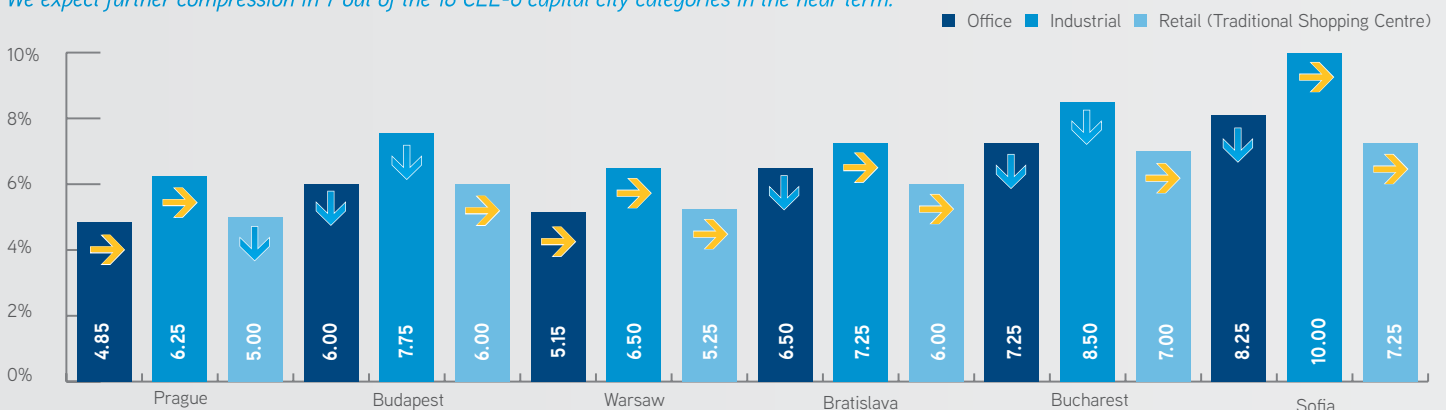
Bulgarian flow growth was the winner in 2017, whilst Poland recovered strongly in Q4 2017.



Source: Colliers International

## PRIME YIELDS Q4 2017 & COLLIERS 12MTH FORECAST

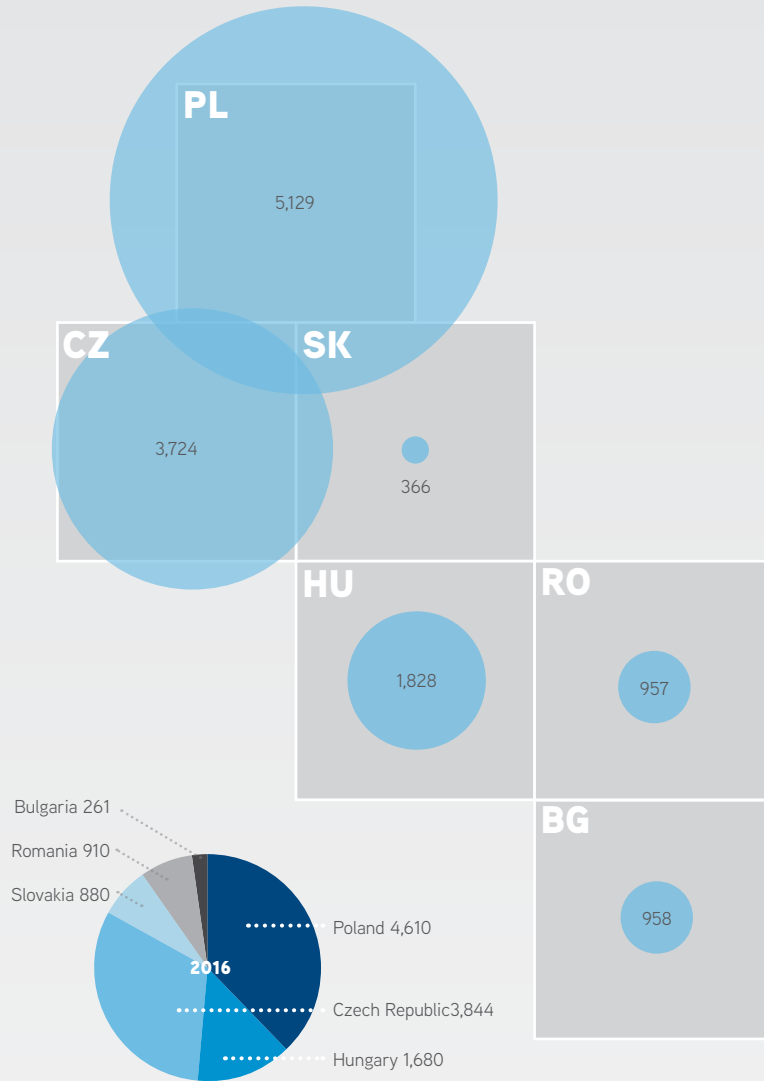
Yields compressed most noticeably in Sofia and Budapest in 2017. We expect further compression in 7 out of the 18 CEE-6 capital city categories in the near term.



Source: Colliers International

## FLOWS BY COUNTRY (2017 | EUR MN)

Poland in 2017 eventually eclipsed Czech flows and set a new record. The retail sector drove the more-than-tripling of investment in Bulgaria.



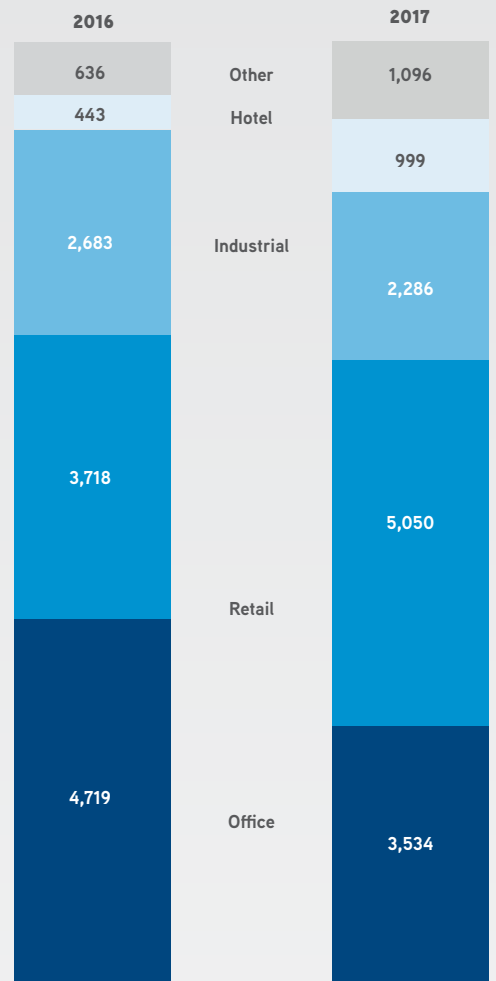
Source: Colliers International

## FLOWS BY SECTOR (EUR MN)

The retail sector maintained its dominance in 2017, with a 39% share and growing 36% versus 2016.

Flows into office shrank -25%.

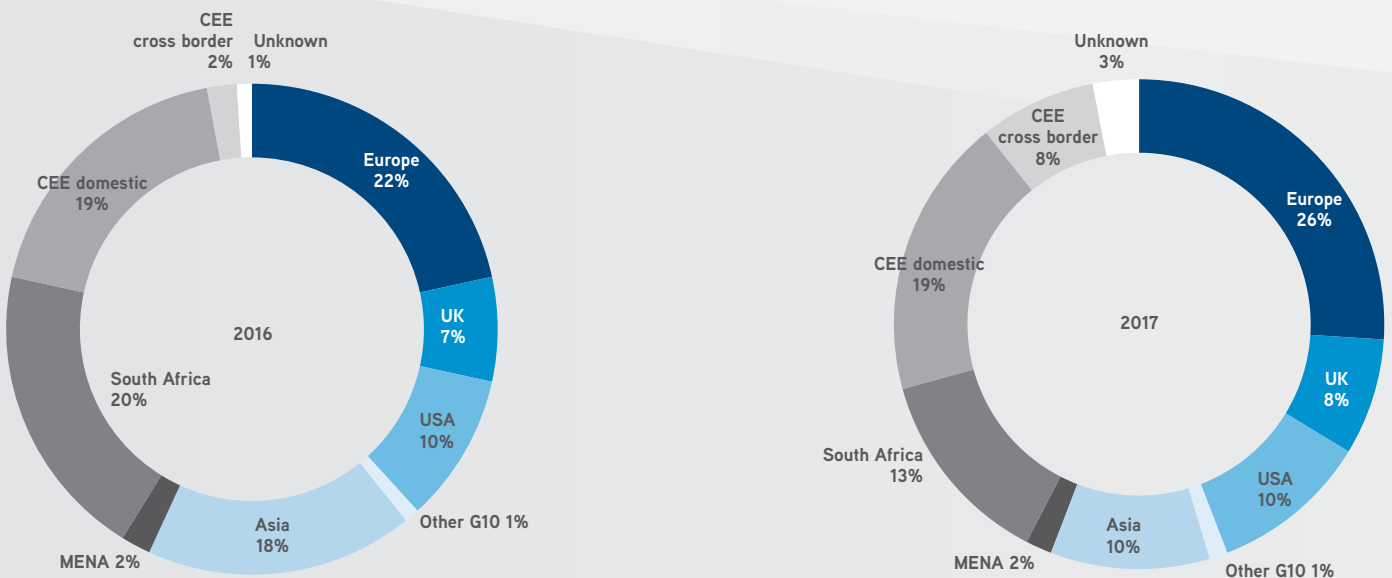
Hotel flows, a sign of bullish market conditions, doubled in 2017 versus 2016.



Source: Colliers International

## FLOWS BY GEOGRAPHIC ORIGIN (%)

The intensity of flows from South Africa and Asia lessened in 2017 compared to 2016. CEE cross-border flows increased noticeably.

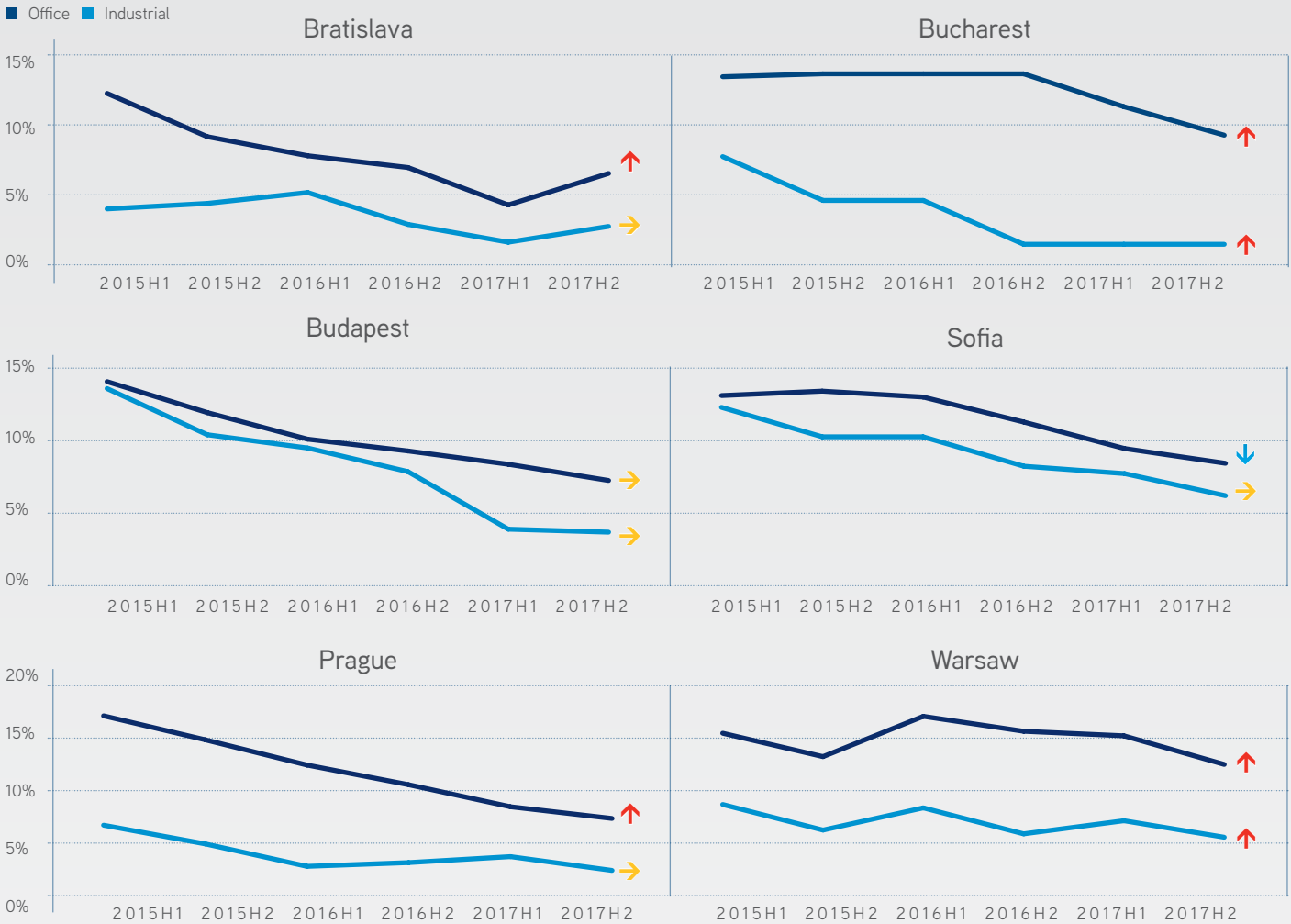


Source: Colliers International

# Demand and supply data

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

The magnitude of the falls in office vacancy rates recently suggest to our regional teams that these rates will rise in 4 out of the 6 capital cities in the next 12 months, with only Sofia decreasing further. We foresee rises in Warsaw and Bucharest industrial vacancy rates.



Source: Colliers International

## RENT LEVELS, RENTAL GROWTH AND COLLIERS FORECASTS FOR H1 2018

We predicted rent increases in retail and especially prime office in 2017, which largely came true. Our teams generally foresee fewer rent hikes in 2018, except in Budapest, where we remain comparatively very optimistic.

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%	▶	18.0	0.0%	▼	5.0	0.0%	▶	4.0	0.0%	▶	119.0	-0.8%
Bucharest	19.0	0.0%	▶	14.5	0.0%	▶	4.1	2.5%	▲	4.1	2.5%	▶	65.0	0.0%	▶
Bratislava	15.4	-7.0%	▶	13.5	8.0%	▼	4.5	0.0%	▶	4.0	0.0%	▶	38.5	0.0%	▶
Prague	20.5	2.5%	▶	13.8	4.2%	▶	4.3	0.0%	▶	4.0	0.0%	▶	125.0	8.7%	▶
Budapest	22.0	22.2%	▲	16.0	18.5%	▶	5.0	0.0%	▲	3.8	1.3%	▲	77.0	0.0%	▲
Sofia	15.0	7.1%	▲	12.0	4.3%	▲	3.8	0.0%	▶	4.5	0.0%	▶	39.0	11.4%	▶

Source: Colliers International

### CONTACT:

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

This document has been prepared by Colliers International for advertising and general information only. Colliers International makes no guarantees, representations or warranties of any kind, expressed or implied, regarding the information including, but not limited to, warranties of content, accuracy and reliability. Any interested party should undertake their own inquiries as to the accuracy of the information. Colliers International excludes unequivocally all inferred or implied terms, conditions and warranties arising out of this document and excludes all liability for loss and damages arising there from. This publication is the copyrighted property of Colliers International and/or its licensors(s). ©2018. All rights reserved.

