

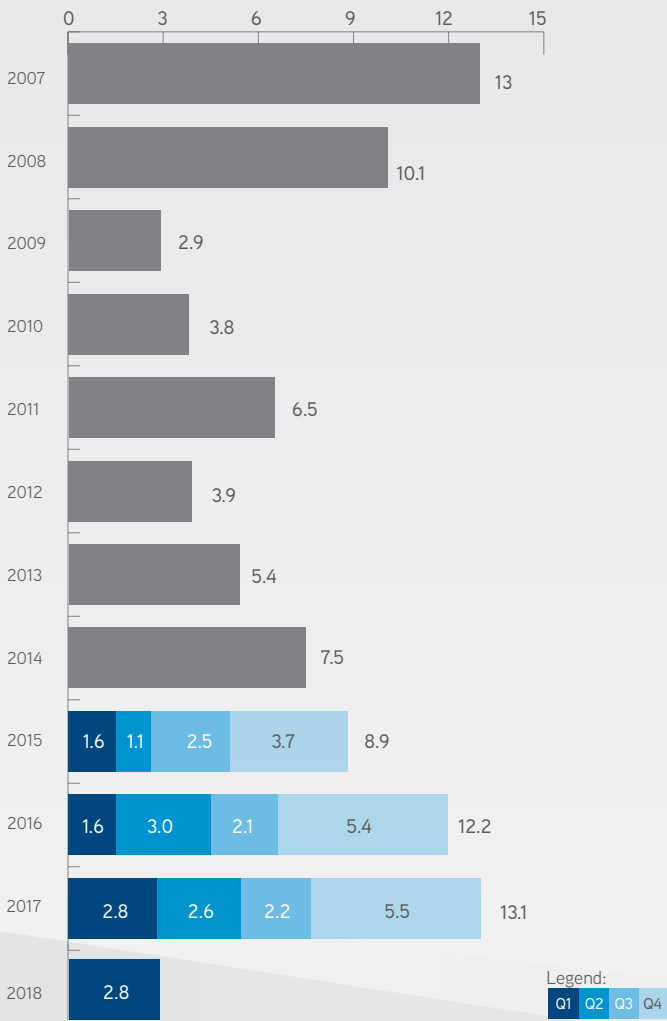
The CEE Investment scene – Q1 2018 CEE flows and drivers



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

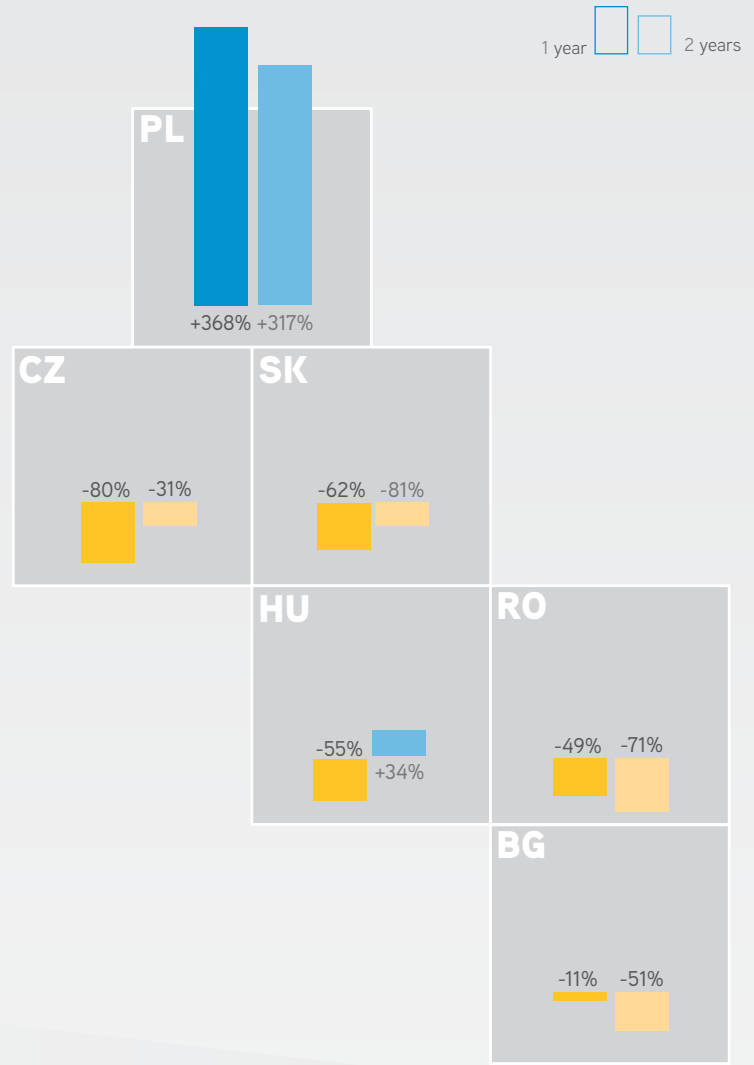
Investment flow of EUR 2.8bn into the CEE-6 countries in Q1 2018 matches the Q1 2017 result.



Source: Colliers International

CEE-6 COUNTRY INVESTMENT VOLUME GROWTH RATES (Q1 2018 VS. Q1 2017 & Q1 2016)

Polish purchases are up substantially versus a poor Q1 last year. Inward flow elsewhere is presently weak.

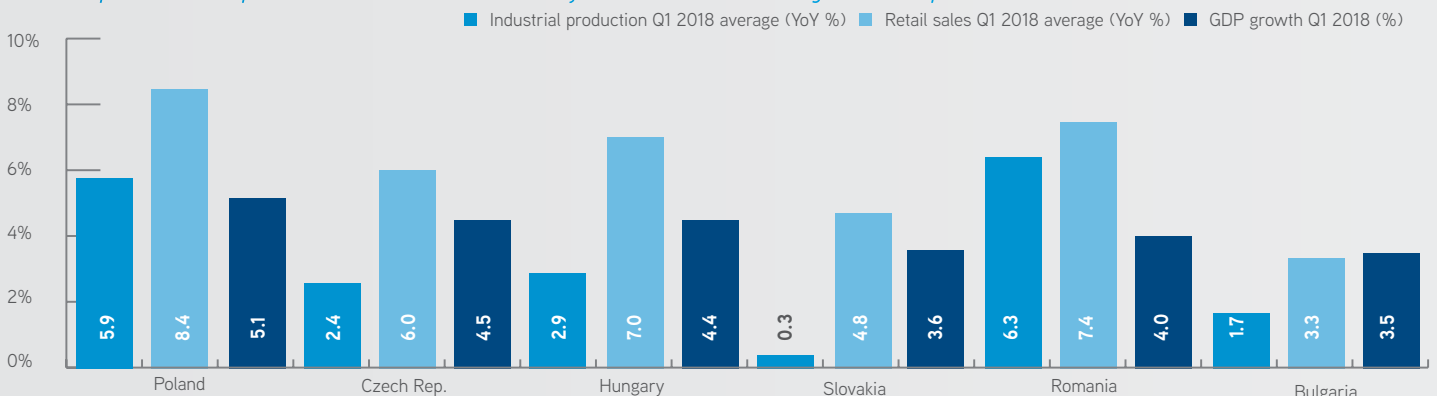


Source: Colliers International

KEY DRIVER: SLOWING BUT STILL STRONG GDP GROWTH. 2018 YEAR TO DATE INDUSTRIAL PRODUCTION VERY SOFT

Q1 regional economic growth figures just published are softening slightly from H2 2017's peaks.

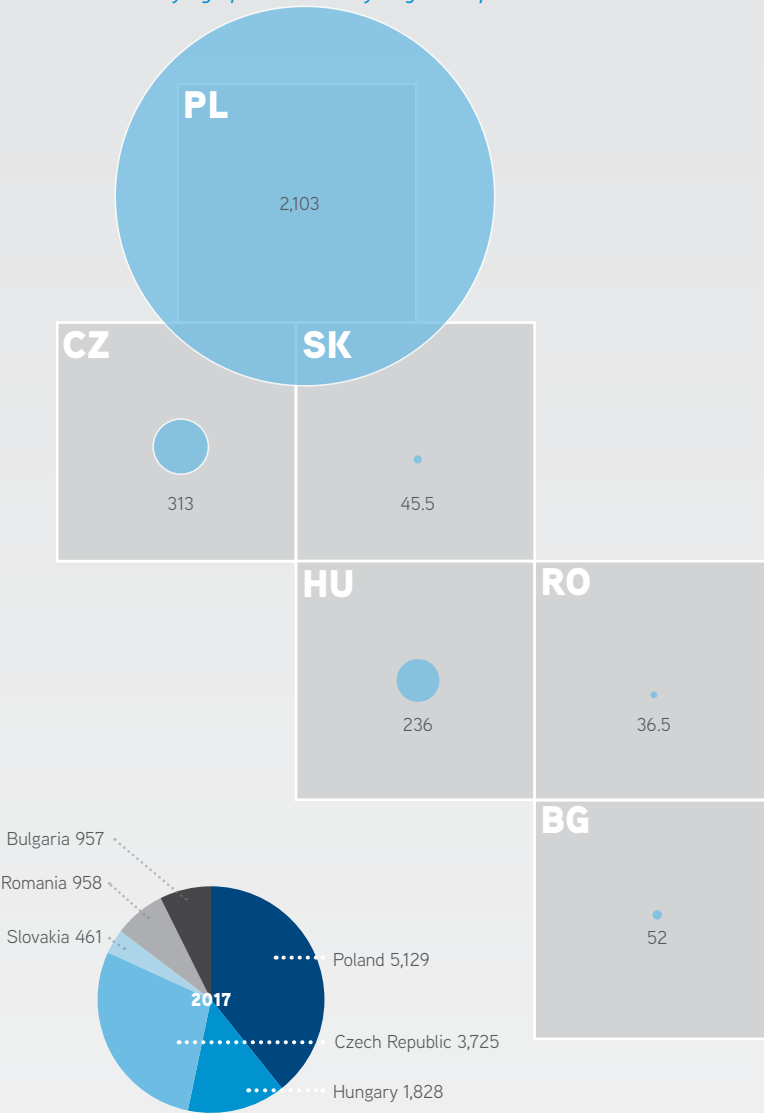
Industrial production / exports to the Eurozone are noticeably weak. Are labour shortages now the problem?



Source: Colliers International

FLows BY COUNTRY (Q1 2018 | EUR MN)

Polish volumes dominating in Q1 2018, especially in the regions. Czech volumes drying up due to lack of large-size product.

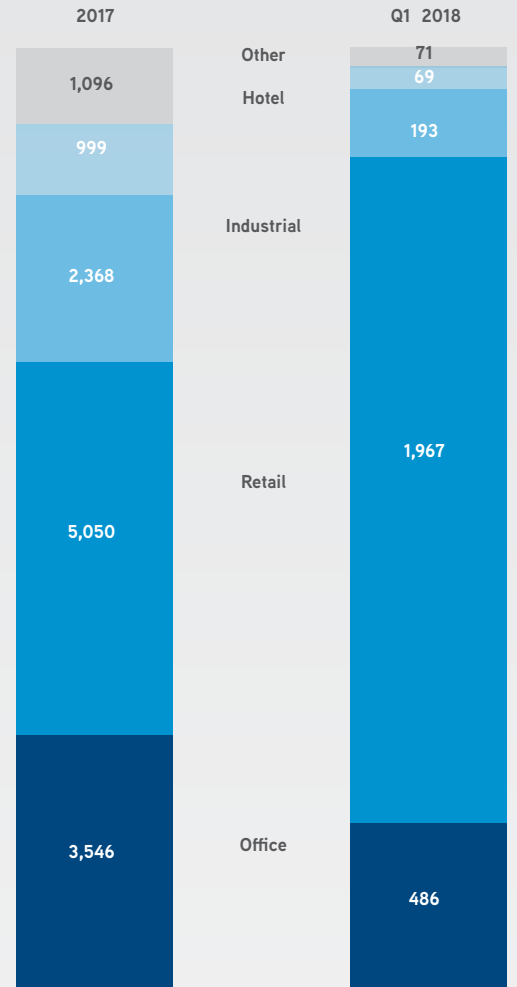


Source: Colliers International

FLows BY SECTOR (EUR MN)

The retail sector is continuing its dominance of the CEE region in Q1 2018, mainly due to major transactions in Poland.

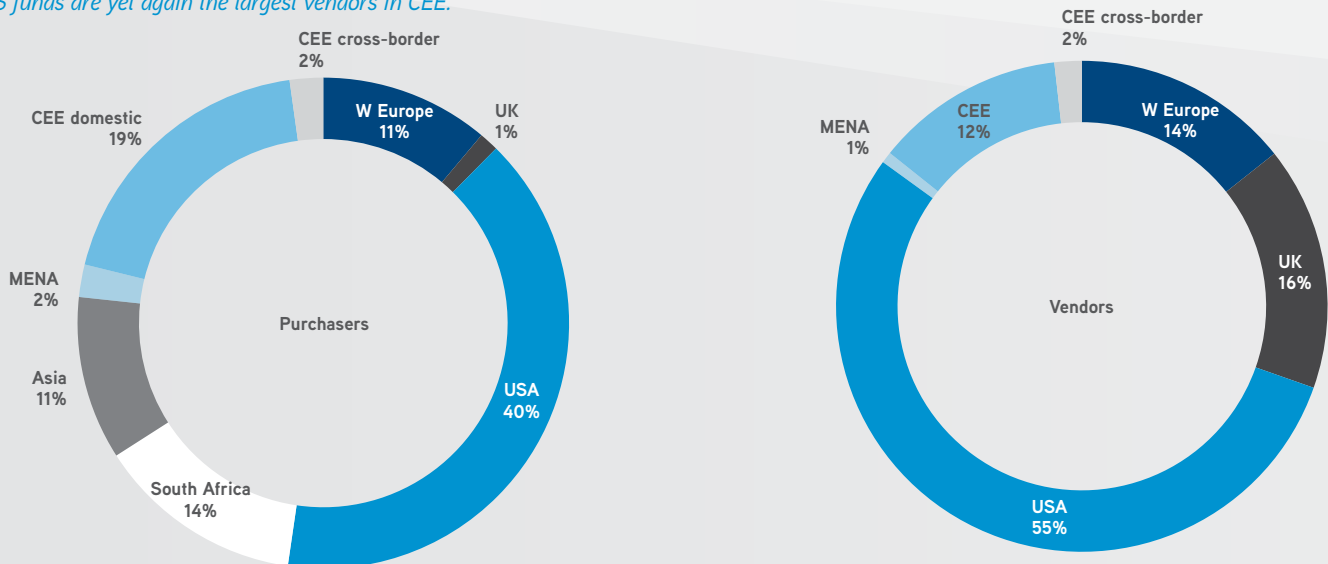
Office volumes not picking up yet, even with the unfolding development boom.



Source: Colliers International

FLows BY ORIGIN OF PURCHASER AND ORIGIN OF VENDOR, Q1 2018 (%)

US and South African flows dominating purchases due to the large transactions in Poland in this quarter. US funds are yet again the largest vendors in CEE.



Source: Colliers International