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Key Investment Trends

Total investment volumes amounted to €3.24 bn in H1 2018, the best half-year in the history of the Polish real estate market, ahead of the previous €2 bn closed in H1 2016. Poland continues to maintain its leading market position in the CEE region in terms of volume, diversity and liquidity. Investor demand remains strong across all asset classes, with a particular focus on retail portfolio deals. The market noted high activity among new investors. The main players were Griffin Real Estate, EPP, Revetas and Goldman Sachs, Employees Provident Fund and Globalworth.

A total of €1.9 bn was invested in retail assets, accounting for nearly 60% of the total investment volume, with €0.9 bn allocated to the office sector (30%). The industrial sector recorded €0.34 bn of transaction volume. We expect investor activity in 2018 to match the record high performance seen in 2017.

Market Position – Ranked by Yield

EMEA Rank	City	All sector Yield (%)	12 mth basis point change
26	Leeds	4.94	-6
27	Rotterdam	4.98	-35
28	Bristol	5.05	5
29	The Hague	5.28	-30
30	Lisbon	5.51	-40
31	Warsaw	5.58	-6
32	Glasgow	5.60	15
33	Eindhoven	5.72	-26
34	Wroclaw	5.77	-23
35	Krakow	6.01	-20

Note: Lowest scoring yield ranks highest.

Yield Outlook

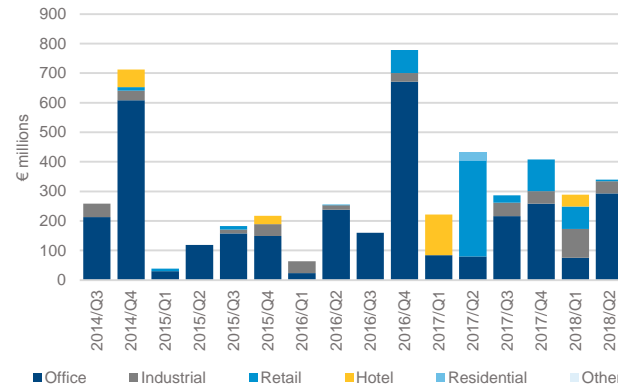


Sectors to watch out for in the next 12M

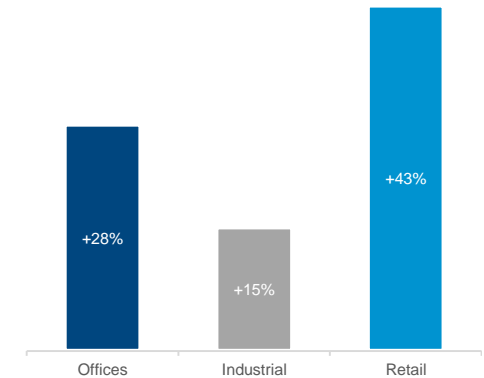


Source: Colliers International, Real Capital Analytics, Oxford Economics.

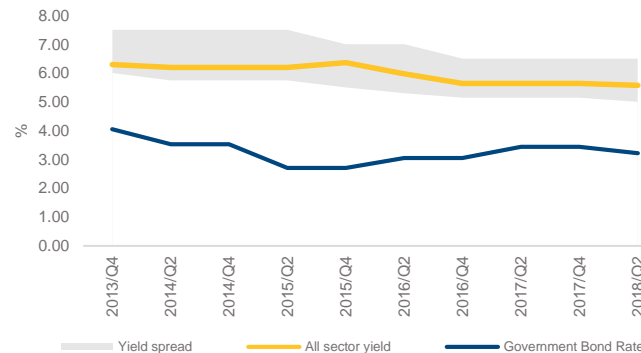
Quarterly investment volumes by sector (City & catchment)



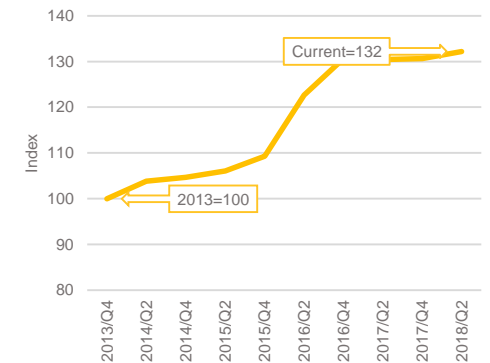
5yr cap. value growth – by sector



All sector yields vs. bond rates



All sector cap. value index

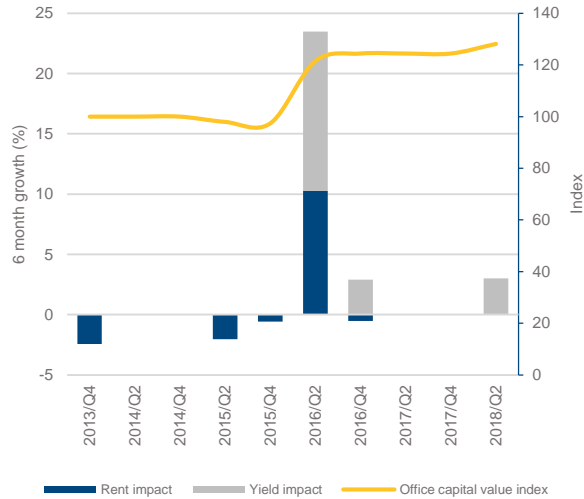


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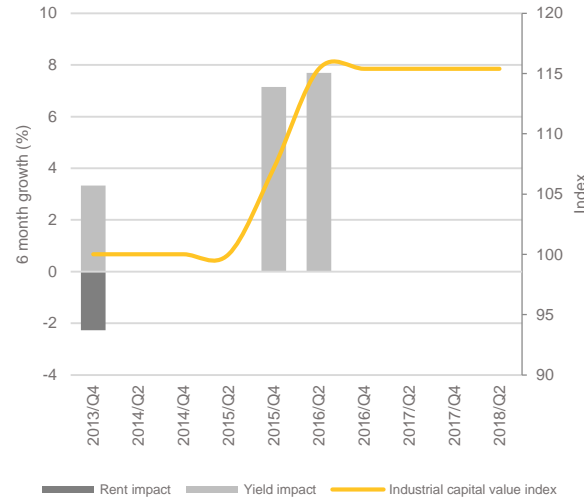
“The market is on course for another record year, and even though 60% of the investment volume YTD has been invested in retail we expect both retail and office to continue to generate substantial interest among buyers, with an emphasis on core assets. Warsaw is in great demand among office investors, including new capital, and benchmark yields are expected to be set along the way.”

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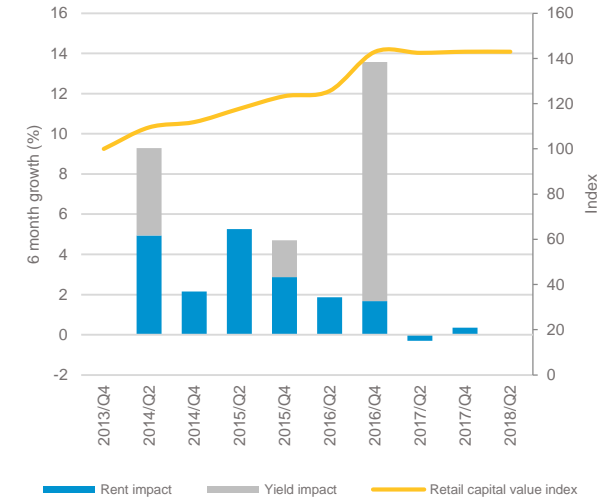
Cap. value index - rent/yield impact: Office



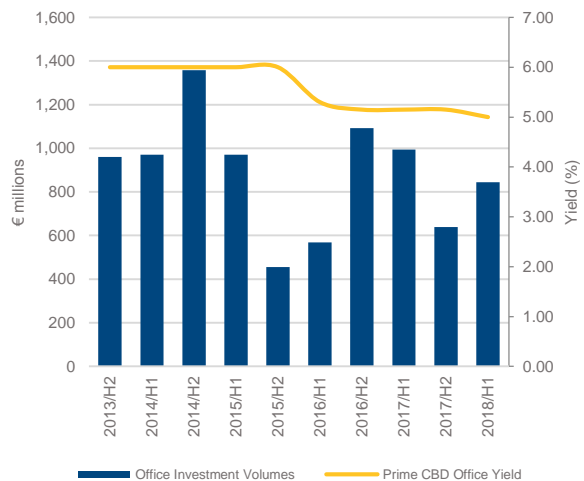
Cap. value index - rent/yield impact: Industrial



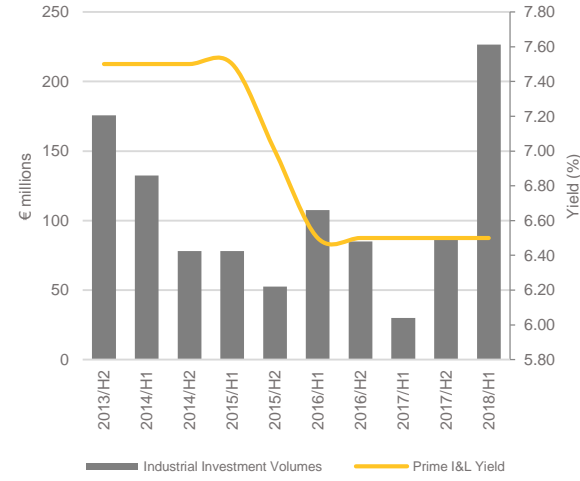
Cap. value index - rent/yield impact: Retail



Yields and 12M rolling investment volumes: Office



Yields and 12M rolling investment volumes: Industrial



Yields and 12M rolling investment volumes: Retail

