

AT A GLANCE

Q2 2021

INVESTMENT MARKET IN POLAND

Highlights

- Cautious spring on the investment market
- Stable interest in industrial & logistics products
- Retail parks and convenience centres continuously on the investors' radar screen
- Office sector catches its breath



KEY FIGURES

c.a. **2 bn EUR**
INVESTMENT VOLUME
IN H1 2021

4.70%
OFFICE PRIME YIELD

5.00%
SHOPPING CENTRE*

* Lack of transactions over last quarters in the prime shopping centre segment

4.5 – 4.75%
INDUSTRIAL & LOGISTICS
PRIME YIELD**

4.20% (e-commerce)

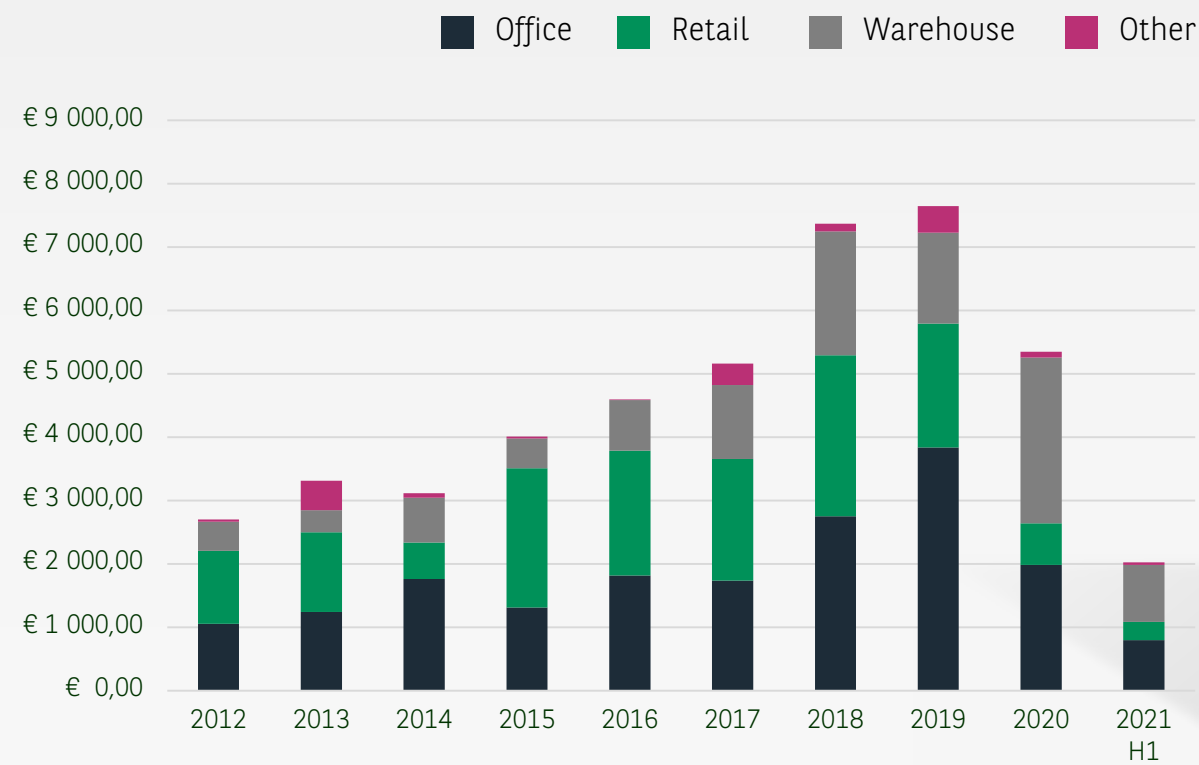
** Varies between Warsaw and rest of Poland

Macroeconomic indicators

			Trend
	GDP (forecast 2021)	6.6%	↑
	Inflation (forecast 2021)	4.6%	↑
	Unemployment (forecast 2021)	6.1%	↓
	NBP Reference rate	0.10%	→
	FX PLN / EUR	4.5983	→

Source: GUS, NBP, Eurostat, BNP Paribas, June 2021

Investment volume (in mln)

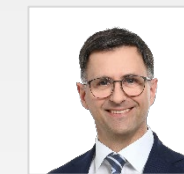


Selected Top Transactions of 2021 (EUR)

Second quarter of the year saw again over 30 deals being transacted for the investment value exceeding 770 m EUR. The biggest share (61%) was recorded in the industrial & logistic sector, office and retail noting respectively 25% and 14%.

	ASSET	ASSET CLASS	PURCHASER	SELLER	SIZE	QUARTER
1	AEW portfolio	Industrial & Logistics	Partners Capital via REINO	AEW	209 000	Q2
2	Warsaw & Wrocław assets	Industrial & Logistics	confidential	Panattoni	124 000	Q2
3	Immofinanz Portfolio	Office	Indotek	Chariot Top Group	45 000	Q2
4	Wotoska 24	Office	IAD	Ghelamco	23 500	Q2
5	Le Palais	Office	Generali RE	Patrizia	6 650	Q2
6	7R Tczew	Industrial & Logistics	Bentalgreen oak	7R	49 490	Q2

Expert Comment



Mateusz Skubiszewski

Head of Capital Markets

In between the pandemic strike and back to normal

The period between January and the end of June saw investors spend c.a. 2bn EUR which, compared to H1 2020, translates into a c.a. 30% drop in transaction volumes. This year is distinctively peculiar. It is difficult to compare it to 2020 when virus struck, yet, in its first few months, it was still possible to complete the transactions initiated prior to the outbreak. And it is still more difficult to find a common denominator for comparisons with the unrivalled 2019. This is why, one needs to look at it from different perspective. For the recovering, market will be exercising caution and making more calculated investment decisions, with more scope for strategy revisions and increases in results recorded, yet with different figures achieved for different types of products

Expert Comment



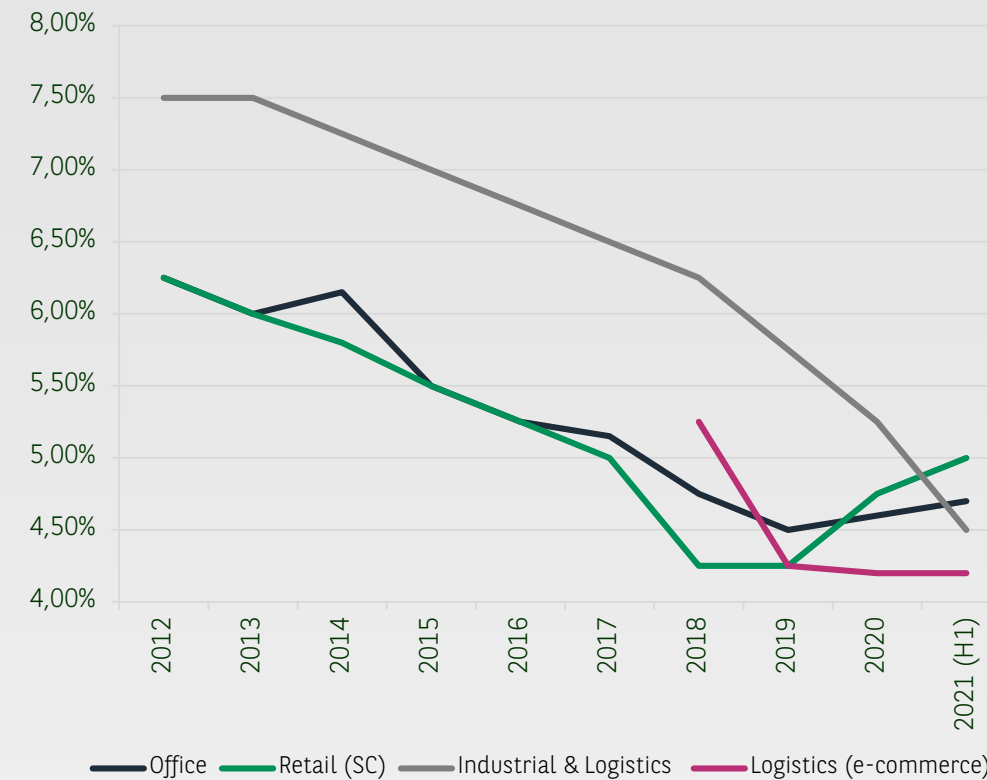
Anna Baran

Associate Director, Capital Markets

The second quarter was also crucial in terms of growth of the private rented sector. The interest shown in it by large players with extensive experience in investing in the PRS shows positive prospects for this market. The decision to buy apartments in Poland was first made by the Swedish housing operator Heimstaden Bostad, where a contract was signed with Budimex Nieruchomości to buy 2 500 units, which was soon followed by the Scandinavian real estate company NREP and its purchase of a portfolio of nearly 1 000 apartments of a total value of approx. EUR 100 million to be constructed by the Finnish developer YIT.

Prime Yields

Annual Prime Yields per Sector, in %



In Q2 2021 cap rate for prime office remained unchanged – 4,70%. The same cap rates have been recorded for retail hottest investment products, i.e. 7-9% for small retail parks, 6-7% for hypermarkets and 5,5-6,5 for warehouse retail. Industrial&logistics, on the contrary, observed further yield compression. Warsaw prime big-boxes are at the level of 4,5%, e-commerce at 4,2% with further compression expected.

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Erik Drukker

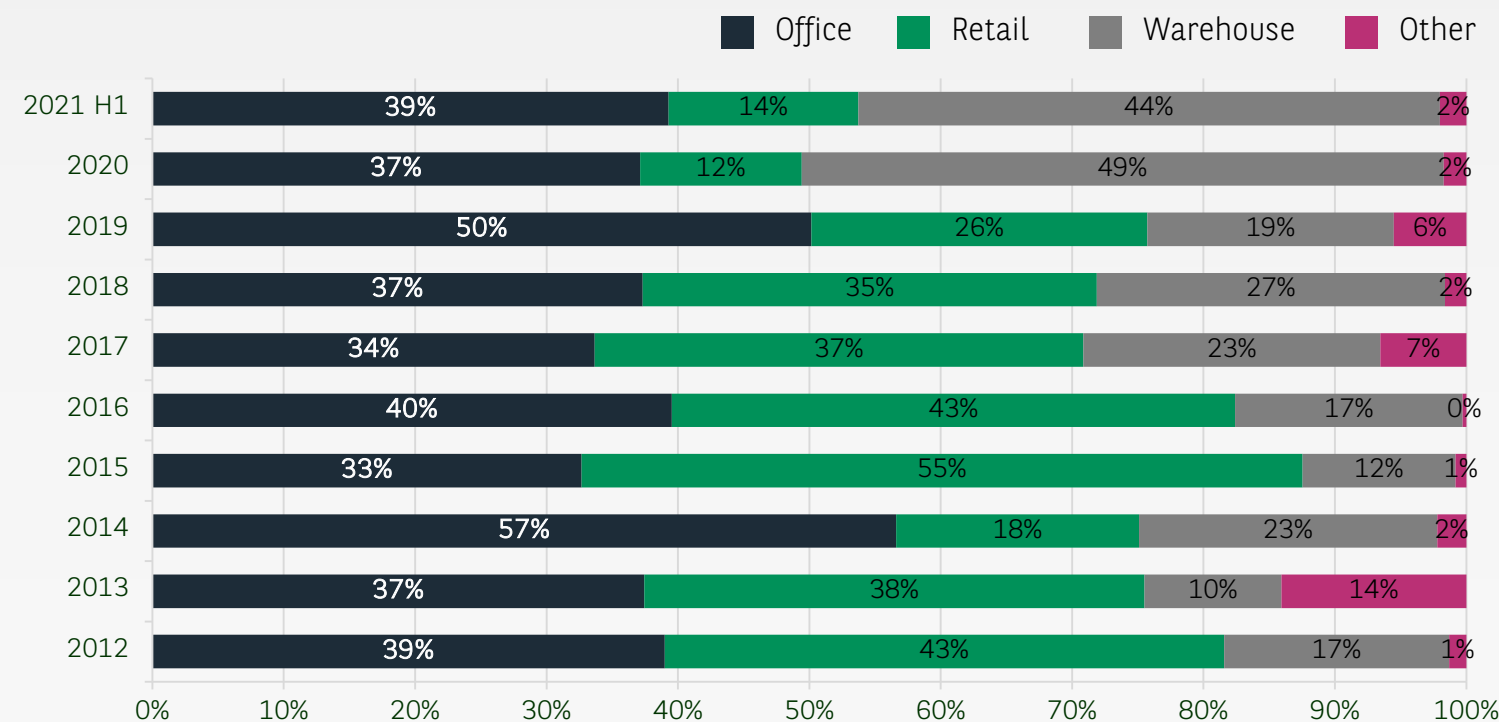
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Sector split

Annual Sector Split of Investment Volumes, in %



Office

Office sector generated less than 200m EUR. This means that medium and long-term pandemic effects will have to be postponed, as the sector still analyses how the offices will be used by tenants and what work models will be eventually adapted.

Retail

The exit of Tesco though and rumours regarding other chains looking for same opportunities mark a symbolic end of hyper and super market, opening doors for discounters and smaller chains (incl. e-commerce) which – with deals worth over 100m EUR proved its pandemic resilience

Warehouse

Close to 470m EUR transactions confirms good shape of the sector and its prospects for future. On top of the high developer activity over last years and demand continuous increase, the positive sentiment is supported by occurring production changes and supply chains.