

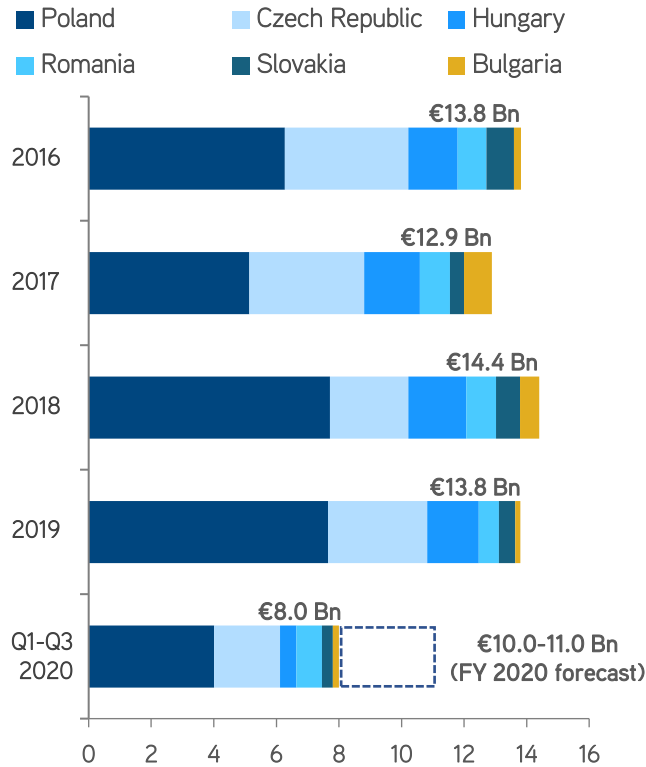
The CEE Investment Scene

Q1-Q3 2020



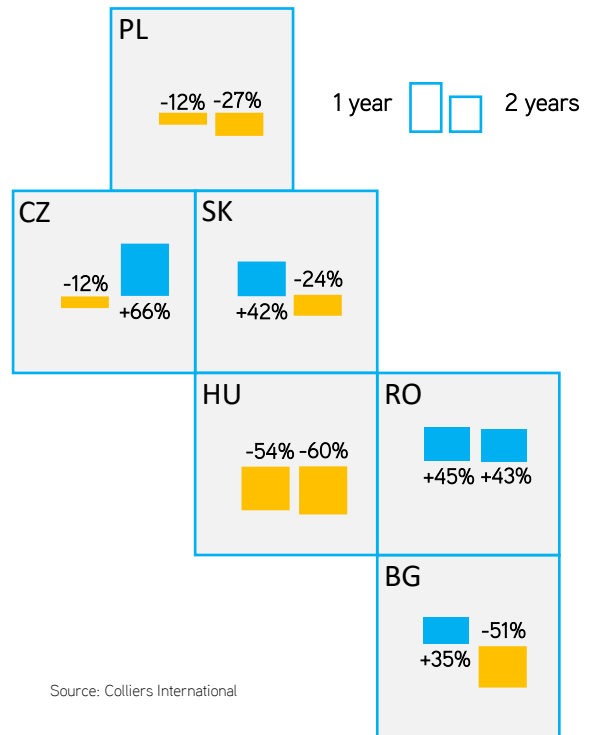
CEE INVESTMENT VOLUMES BY COUNTRY 2016 – Q3 2020 (€ BILLION)

Despite COVID-19 impacts on markets, flow volumes remain relatively healthy for the first 3 quarters of 2020 at ca. €8.0 billion. Colliers estimate 2020 year-end volumes to reach €10.0 to €12.0 billion.



CEE INVESTMENT VOLUME GROWTH RATES (Q1-Q3 2020 vs. Q1-Q3 2019 & Q1-Q3 2018)

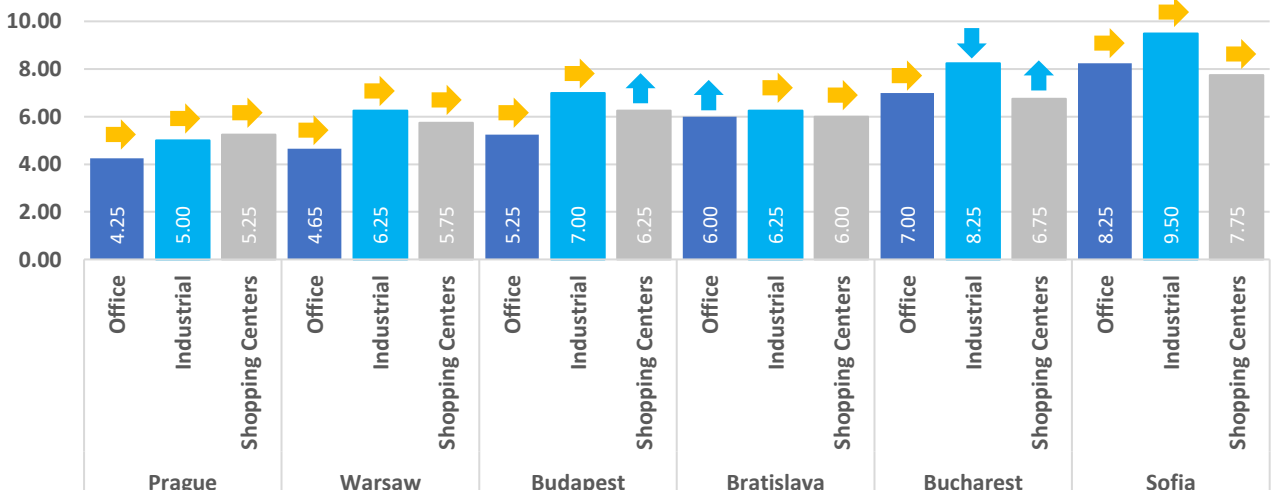
Regional volumes **down 12%** compared to the same period of 2019. Romania is having a great year and a few large portfolios have supported overall regional volumes.



Source: Colliers International

PRIME YIELDS (%) Q3 2020 & COLLIERS 12MTH FORECAST

Since Q2 we have recorded very little movement in prime yields, primarily due to the lack of transactional evidence to support further shifts. Our view remains that while some shifts are inevitable, core, well performing assets should hold up well, with more pressure on secondary product. Due to the shift in interest of investors to logistics we can also expect to see prices react accordingly.

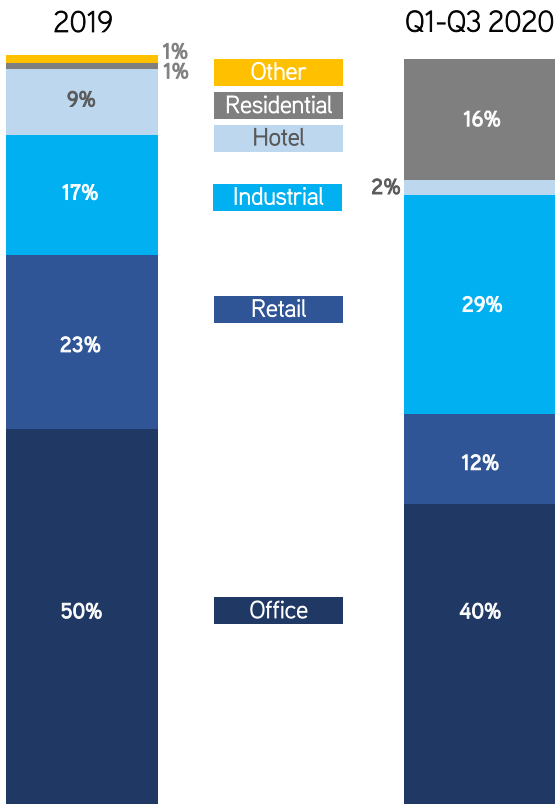


Source: Colliers International

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CEE FLOWS BY SECTOR (%)

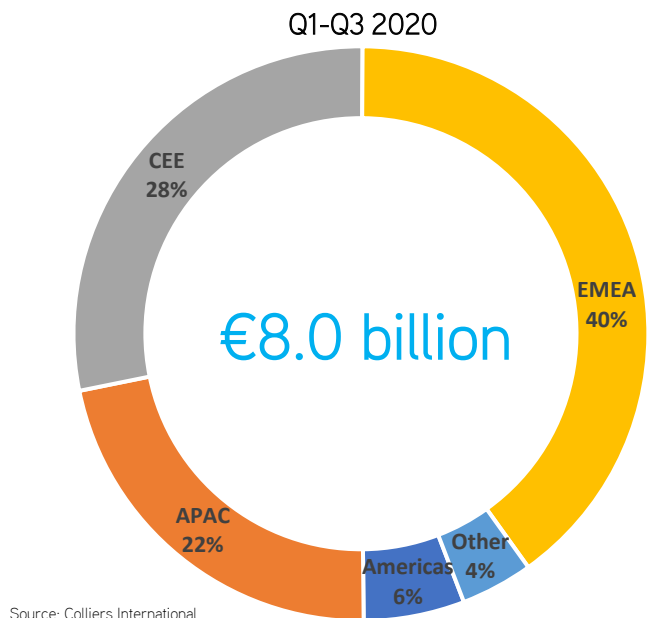
The office sector again dominated in the first 3 quarters of 2020. Retail and Hotels are understandably down considerably on last year, with logistics significantly up and greater volumes held back only by the shortage of supply.



CEE FLOWS BY ORIGIN OF PURCHASER (%)

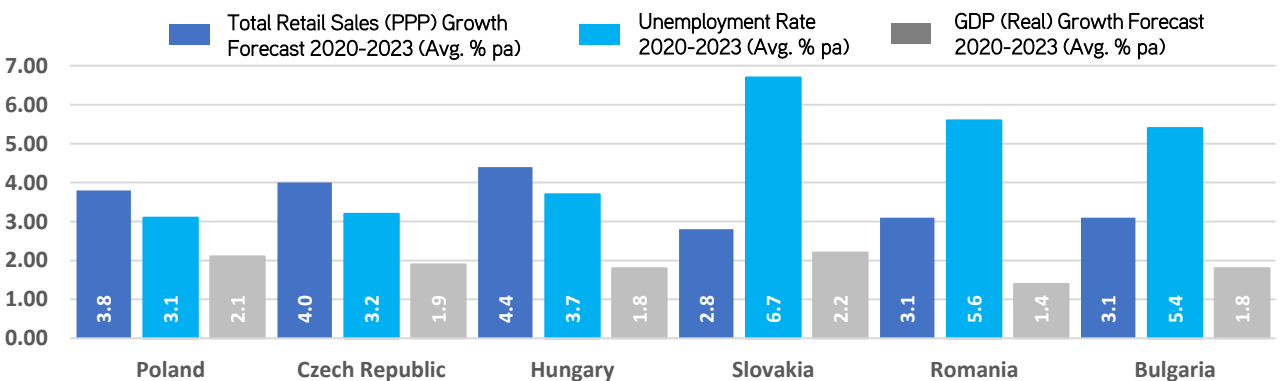
Western European funds have been most active during the first 9 months of 2020, although volumes were supported by Sweden's Heimstaden investing into a €1.3 billion residential portfolio in the Czech Republic.

CEE domestic investors, consisting of mainly Czech and Hungarian capital, have also remained in acquisition mode, investing both in their own markets and cross border within CEE. Capital from Asia, particularly Singaporean and South Korean, have continued to secure opportunities in the region.



KEY ECONOMIC INDICATORS

Globally and in CEE, economies are expected to take a hit in 2020, but rebound rapidly from 2021 onwards. Unemployment rates are also expected to increase, and the combination will put downward pressure on retail sales.



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