

CEE PROPERTY INVESTMENT VOLUME
+30% Y-O-Y

CEE INVESTMENT REMAINS ON TRACK TO BEAT 2012

Quick Stats

	H1 2012	H1 2013*
Investment turnover	€2.9 bn	€3.7 bn

2013 outpacing 2012 by 30% y-o-y, despite Q2 slowdown

Despite a slowdown in the deal volume closed during Q2 2013 the overall investment volume in Central & Eastern Europe (CEE) reached Euro 3.7 billion through to the end of May 2013*. This represents an increase of 30% compared to the first half of 2012. Strong trading in Russia has resulted in total volumes at around 2/3's of the dealings seen during 2012 overall, while Poland remained somewhat less active. A strong pipeline and some significant preliminary signings in Poland, however, are expected to push-up volumes later in the year.

Interest spreading beyond prime

Investors that have been considering the targeting of non-prime assets are gradually entering the markets now. Some of them have completed the preparation phase for this mostly untouched market niche and are now in the process of actually targeting assets. Interest exists in most of the markets across CEE, however, most profoundly in the Czech Republic and Poland. Investors are seeking to benefit from low liquidity in the non-prime segment and believe that they can generate value on the back of good quality locations in combination with value-add properties, some even in regional locations.

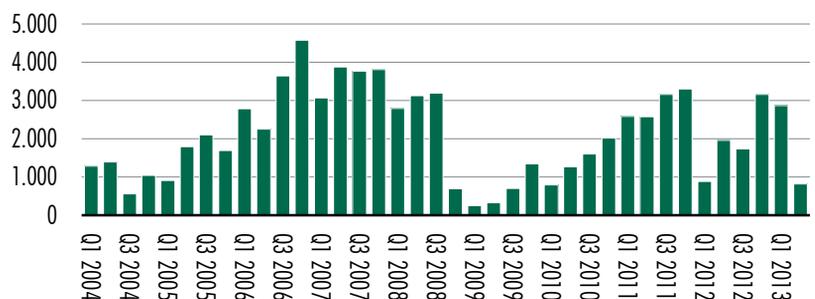
Big ticket transactions continue

During 2013 thus far ten transactions worth over Euro 100 million have been closed across CEE. This confirms investor demand for substantial acquisitions across the region. The expectation is that the trading of high quality, large lot sizes will continue and will therefore remain a driver of strong investment flows into CEE. A number of large scale properties and portfolios are expected to be signed soon. An example of a flagship property recently announced to be traded is the Euro 400+ million property Silesia City Center in Katowice, a large scale shopping centre acquired by a consortium led by Allianz.

Hot Topics

- 2013 outpacing 2012 by 30% y-o-y, despite Q2 slowdown
- Interest spreading beyond prime
- Big ticket transactions continue

Chart 1: CEE Investment Market (€ mln)



Source: CBRE Research

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