

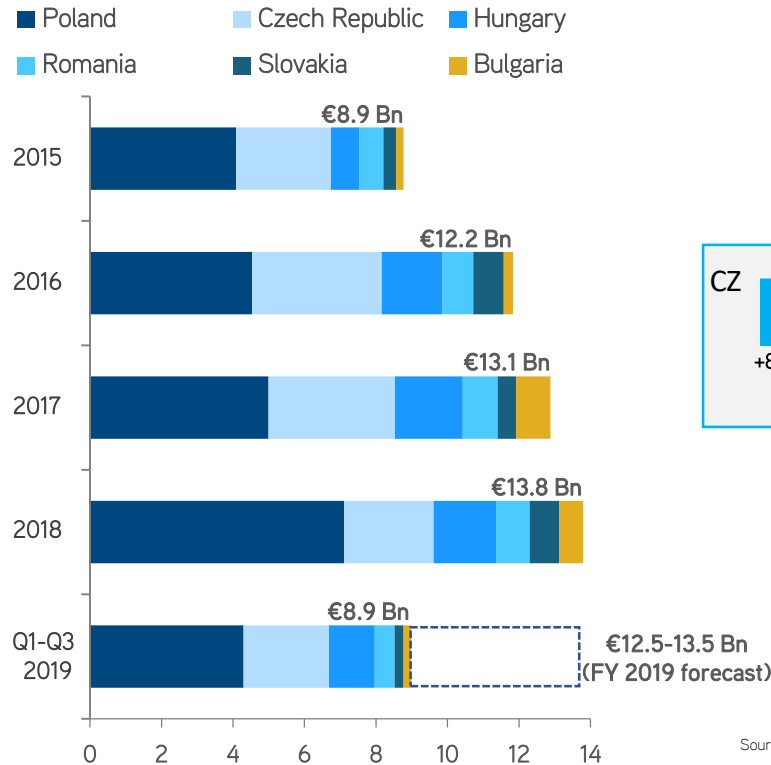
# The CEE Investment Scene

## Q1-Q3 2019



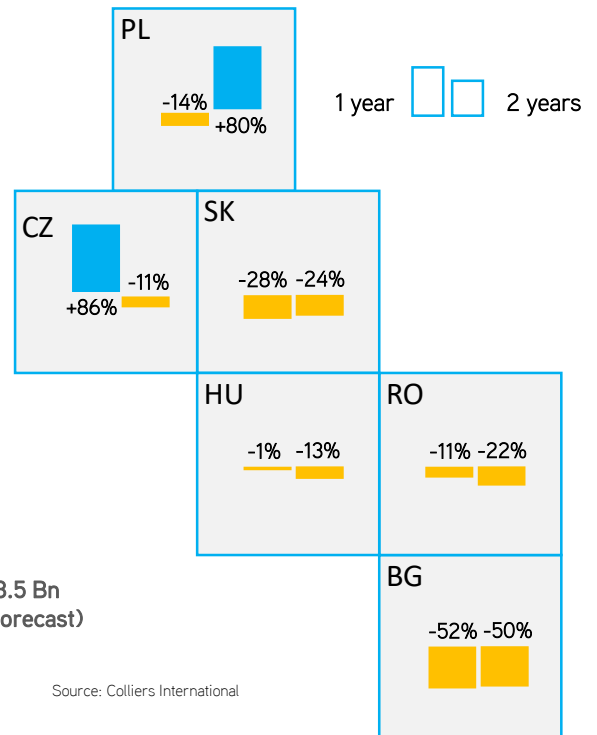
### CEE INVESTMENT VOLUMES BY COUNTRY 2005 – Q3 2019 (€ BILLION)

Flow volume remains healthy for the first 3 quarters of 2019 at ca. €9.0 billion. Colliers estimate 2019 year end volumes to reach €12.5 to €13.5 billion.



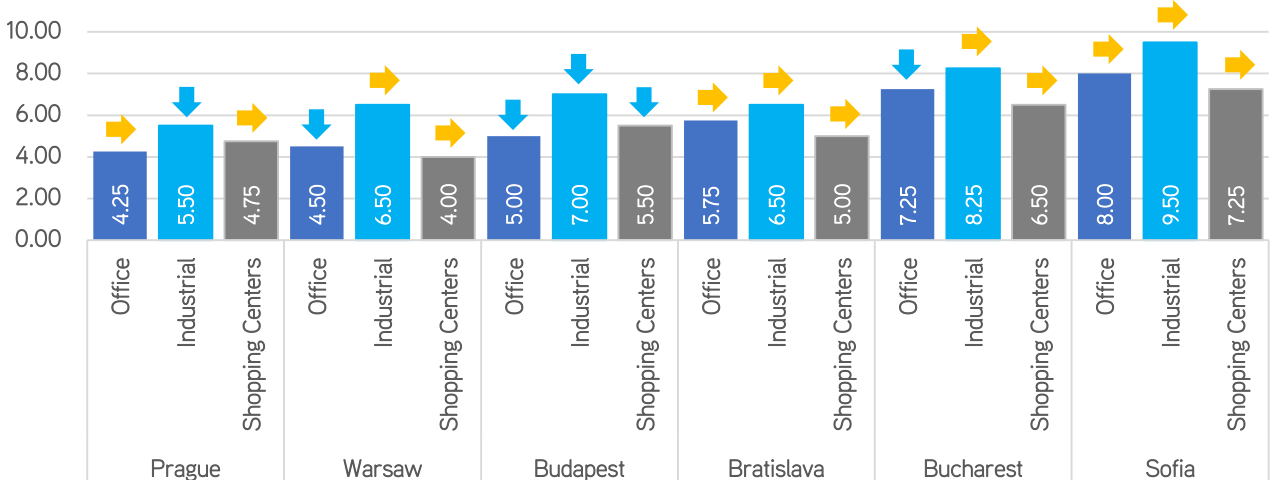
### CEE INVESTMENT VOLUME GROWTH RATES (Q1-Q3 2019 vs. Q1-Q3 2018 & Q1-Q3 2017)

Czech flows significantly up on the same period of last year, with most markets aiming for a typically strong Q4 to close out the year.



### PRIME YIELDS (%) Q3 2019 & COLLIERS 12MTH FORECAST

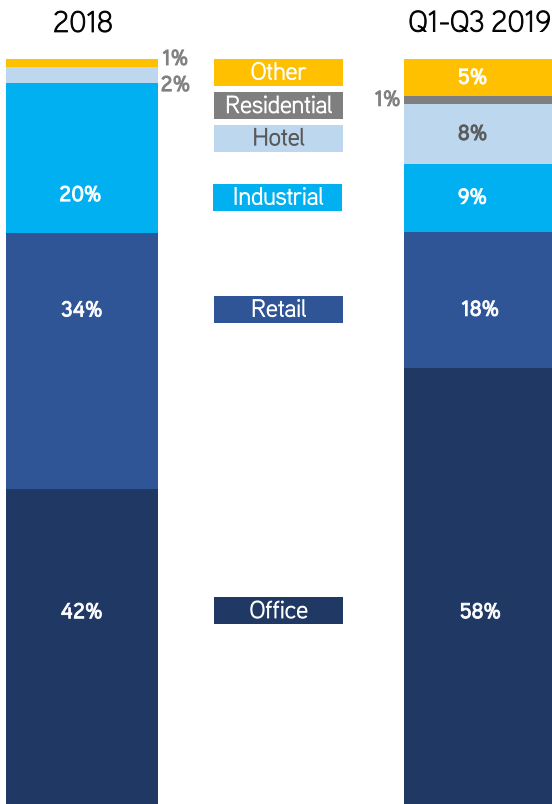
Despite record low yields in most markets and sectors, some further yield compression is anticipated over the next 12 months as strong levels of capital seek product and returns.



Source: Colliers International

CEE FLOWS BY SECTOR (%)

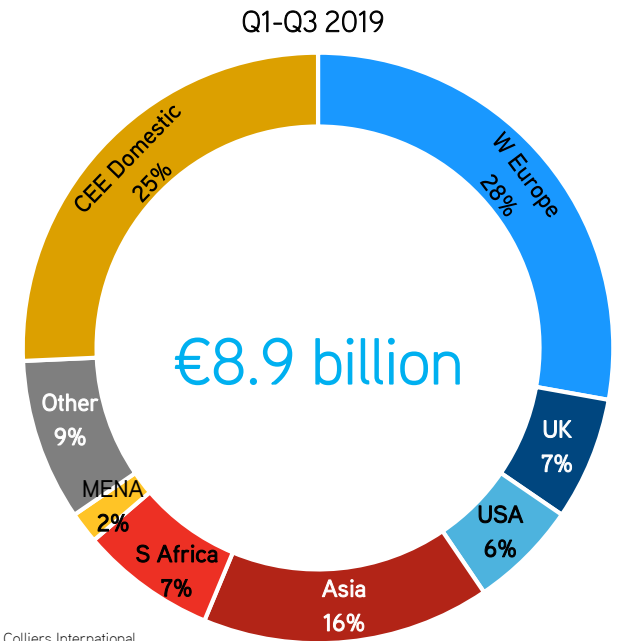
The office sector has dominated the first 3 quarters of 2019 with retail volumes down 53% on the same period of last year. Hotels transactions are up, while industrial product has been scarce year to date.



CEE FLOWS BY ORIGIN OF PURCHASER (%)

Western European funds have been most active during the first 9 months of 2019, followed closely by CEE domestic investors, consisting of mainly Czech and Hungarian capital investing both in their own markets and cross border within CEE.

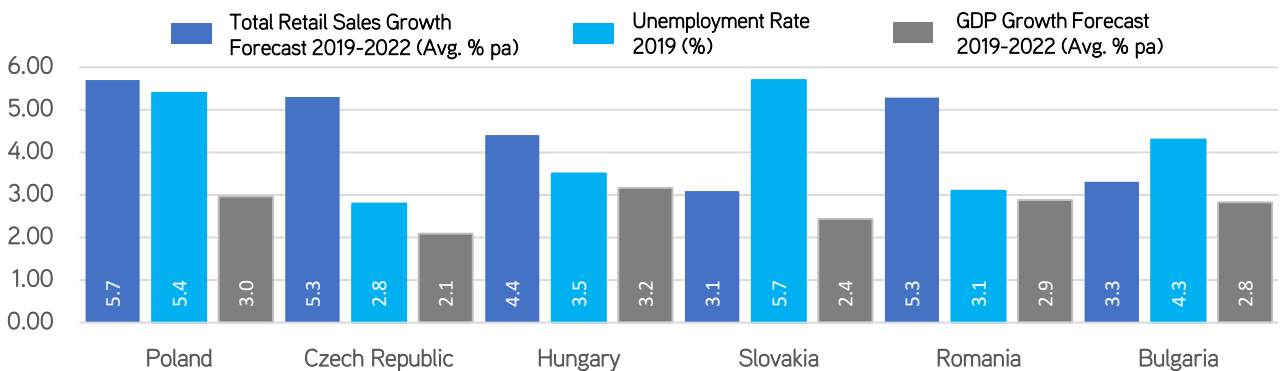
Capital from Asia, specifically South Korea, have continued to be active and setting new benchmarks for prime yields. However, the question remains as to how much longer they can keep up this pace?



Source: Colliers International

KEY ECONOMIC INDICATORS

CEE economies are forecast to perform well over the next few years. Retail sales are supporting this growth as well as the retail and logistics sectors. Record low unemployment levels creating some challenges and pushing up costs.



Source: Oxford Economics



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