

AT A GLANCE

Q4 2021

INVESTMENT MARKET IN POLAND

Highlights

- 2021 investment results – c.a. 5.7 bn EUR – is 7% higher than 2020
- Industrial & logistics generated over half of the total volume
- Retail parks and hypermarkets are the most frequently traded retail investment products – over 60% of all transactions



KEY FIGURES

c.a. **5.7 bn EUR**
INVESTMENT VOLUME
IN 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**

c.a. 4.00%
LOGISTICS (e-commerce)
PRIME YIELD

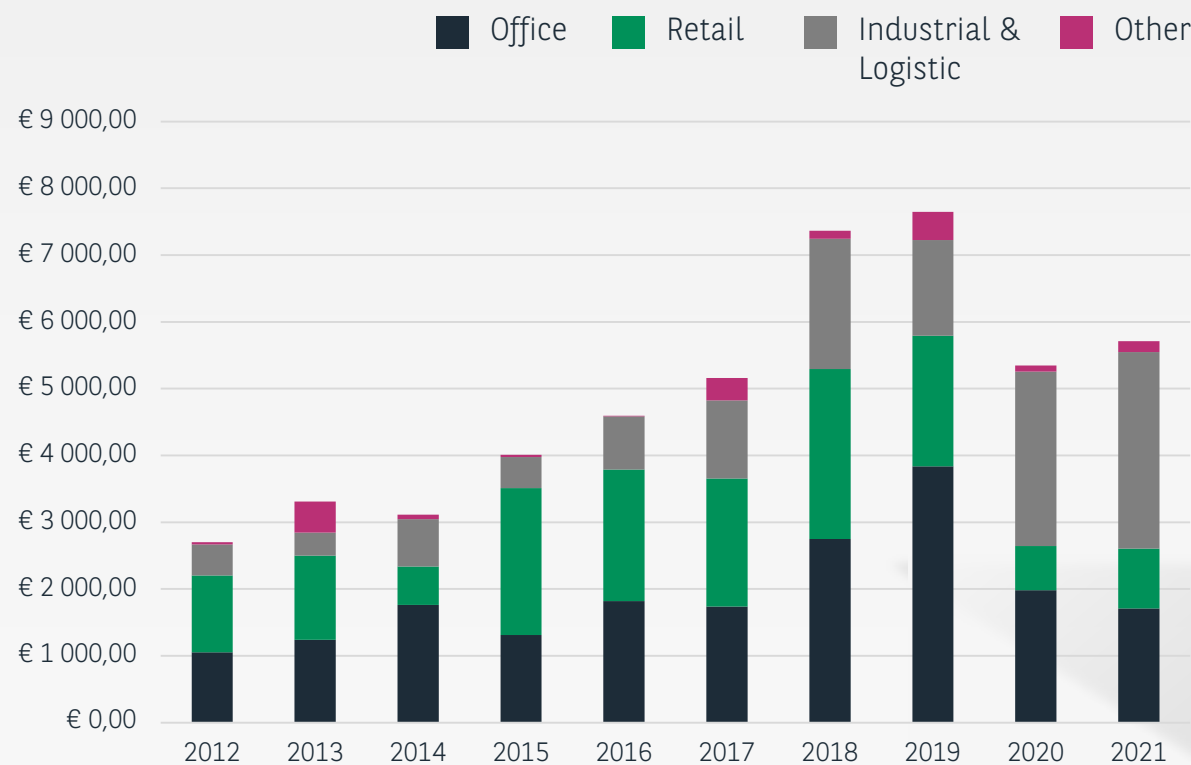
** Varies between Warsaw and rest of Poland

Macroeconomic indicators

			Trend
	GDP (forecast 2022)	4.5%	↓
	Inflation (forecast 2022)	8.5%	↑
	Unemployment (forecast 2022)	5.3%	↓
	NBP Reference rate	2.25%	↑
	FX PLN / EUR	4.5821	→

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

Investment volume (in M EUR)

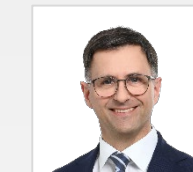


Selected Top Transactions of 2021

Last quarter of the 2021 brought in additional c.a. 2.2 bn EUR investment into real estate market. Almost 60% of the quarterly volume related to industrial and logistic products. Office sector volume accounts for close to 500 m EUR and retail for c.a. 425 m EUR.

	ASSET	ASSET CLASS	PURCHASER	SELLER	SIZE	QUARTER
1	EQT Exeter Portfolio	Industrial & Logistics	GIC	Exeter	320,000	Q4
2	Metropolitan	Office	Morgan Stanley	DWS	38,000	Q3
3	Buma Portfolio	Office	Partners Capital via REINO	Buma	100,000	Q1
4	Emerald Portfolio	Industrial & Logistics	Blackstone	Elite Partners Capital	260,000	Q4
5	Project Phoenix	Industrial & Logistics	Ares	Panattoni	285,000	Q1

Expert Comment



Mateusz Skubiszewski
Head of Capital Markets

Busy year end on the investment market

In 2021 investors spent c.a. 5.7 bn EUR onto real estate investment in Poland. Despite the mark that pandemic has left on the commercial real estate, the past year can be assessed with cautiously shy optimism. All real estate players have largely got used to the situation, as well as restrictions dictated by the health crisis. Many industries have rebounded and are now focusing on catching up. We can also see that the transactions are accelerating, the assets, temporarily put on hold some time ago, are returning onto investors' radars. And although it is still difficult to make a judgment about the further direction of the pandemic, and thus the development of economies and various markets, the common denominator for 2022 may be further optimism but also further caution in decision making.

Expert Comment



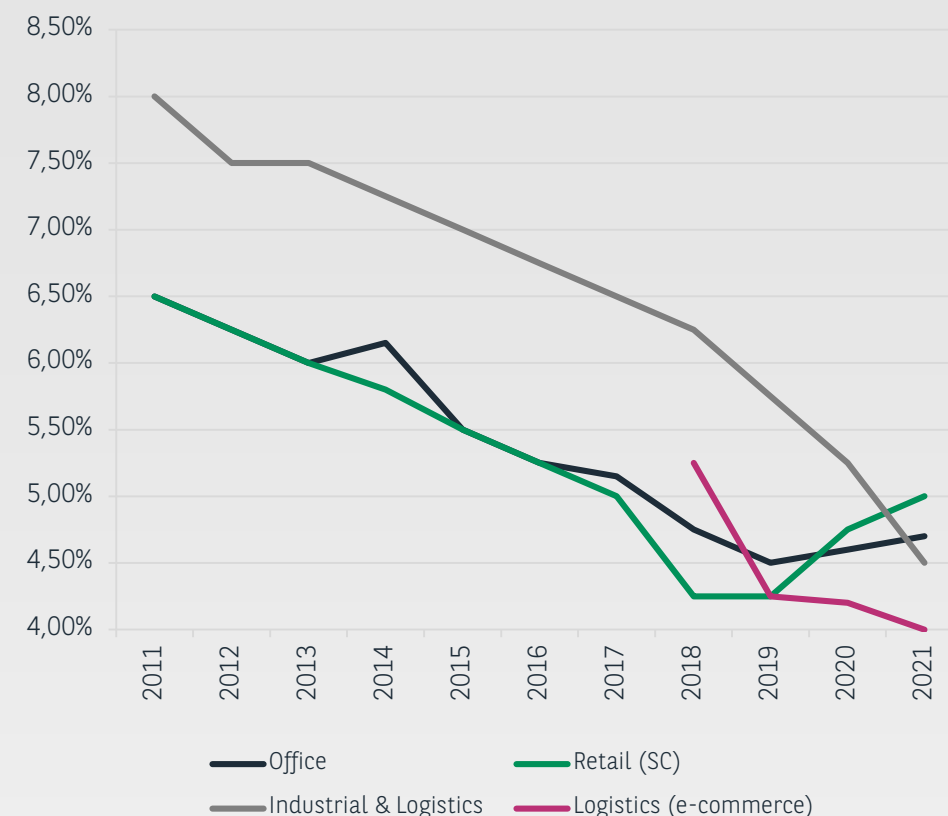
Marta Gorońska-Wiercioch

Associate Director, Capital Markets

The last quarter brought another wave of optimism into real estate investment market. 7% annual investment volume growth, over 170 transactions, diversified sources of capital, it all proves that after the initial hiccup, the market is rebounding. In 2021 the biggest share of capital (40%) came to Poland from Europe, with Germany being at the lead of the stake. Further over 25% flew in from North America and 13% were the transactions that had Asian origins (Singapore, South Korea, China). The local – Polish – capital constituted less than 4% and concerned such transactions as the purchase of Empark office buildings by Echo Investment and Moje Miejsce office building by a public state company.

Prime Yields

Annual Prime Yields per Sector, in %



As year 2021 belonged to industrial and logistic products, the observed compression in yields related to the best assets from this sector. However, these have been relatively stable and across the year the prime assets were sold at 4.5% for Warsaw and c.a. 4.75% for outside Warsaw locations. The logistic platforms with e-commerce operators are the only one that have witnessed further compression in the last quarter of 2021 to the level close to 4%.

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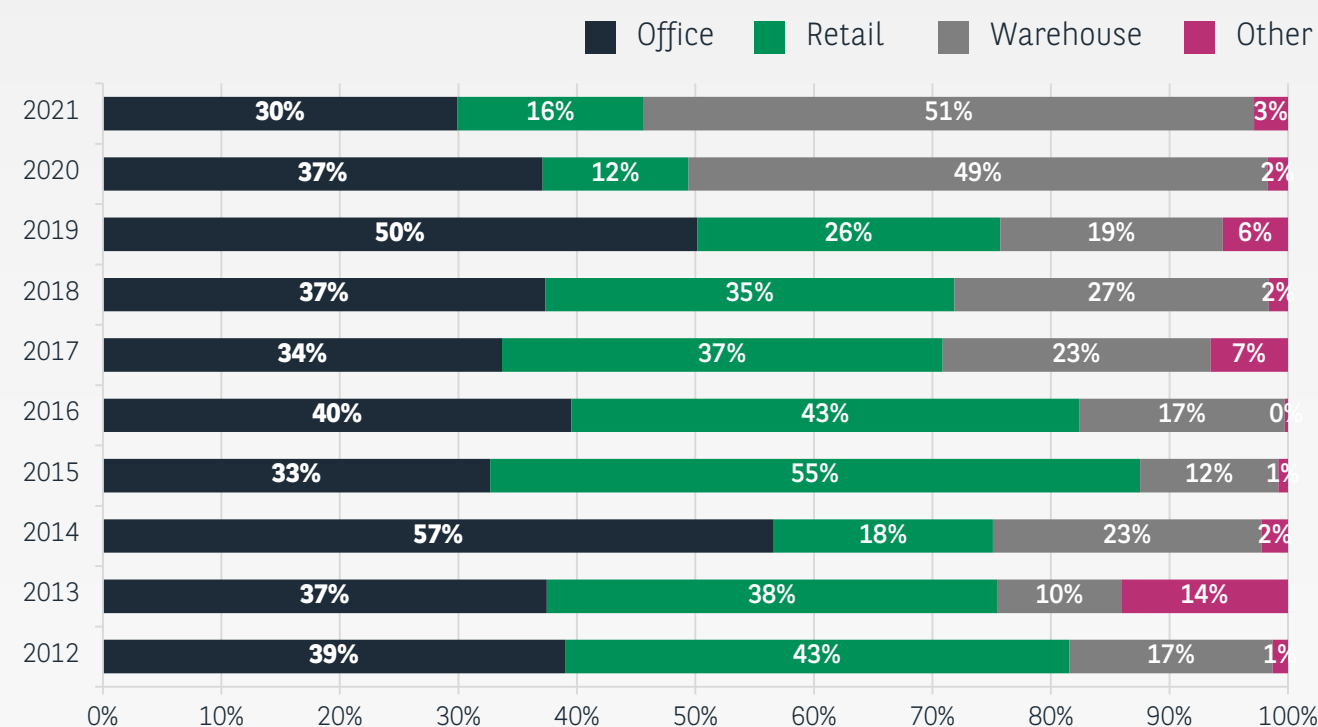
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Sector split

Annual Sector Split of Investment Volumes, in %



Office

Office sector generated c.a. 1.7bn EUR this year, having added close to 500 m EUR in the last quarter, out of which over 70% of investment volume related to investment products located in Warsaw. The annual results means a 14% decrease vs last year which proves that the sector is still under the heavy influence of the remote working and low occupancy.

Retail

Retail sector ended the year with c.a. 900 m EUR worth transactions which means a 36% increase vs last year results. Out of 56 transactions, over 60% related to retail parks (18) and sale of hypermarkets, mainly after Tesco brand (17).

Industrial & Logistics

It is the second year in a row in which the products from this sector have been the most desired investments in Poland. Close to 3 bn EUR worth transactions as well as record breaking new supply delivered and under construction as a response to even increasing demand, this all proves a very good condition for the sector and further optimistic forecast for next year.